



المتحدة UNITED
التأمين INSURANCE

مستقبل آمن | Safe Future

التاريخ : 2024/05/30

الإشارة : م/24/375

السادة هيئة الأوراق المالية - دائرة الإفصاح المحترمين
السادة بورصة عمان المحترمين
عمان - الأردن

تحية طيبة وبعد،،،

الموضوع : مسودة البيانات المالية باللغة الإنجليزية

كما في 2023/12/31

تهديكم الشركة المتحدة للتأمين م.ع.م أطيب تحياتها وتتمنى لكم دوام التقدم والازدهار.

بالإشارة إلى الموضوع أعلاه، نرفق لكم طياً مسودة البيانات المالية السنوية باللغة الإنجليزية، وذلك كما في 2023/12/31، علماً بأن مسودة البيانات المالية المرفقة خاضعة لموافقة البنك المركزي الأردني.

رائد خليل حدادين
الرئيس التنفيذي

وتفضلوا بقبول فائق الاحترام،،،



مرفق/



United Insurance Company
(Public Limited Shareholding Company)
Amman – The Hashemite Kingdom of Jordan
Financial Statements and the Independent
Auditor's Report
For the Year Ended December 31, 2023

United Insurance Company
(Public Limited Shareholding Company)
Amman- The Hashemite kingdom of Jordan
Financial Statements and the Independent Auditor's Report
For the year ended December 31, 2023

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Independent Auditor's Report**To, The Shareholders****United Insurance Company**

(Public Limited Shareholding Company)

Amman - the Hashemite Kingdom of Jordan**Opinion**

We have audited the financial statements of **United Insurance Company** ("the Company") which comprise the statement of financial position as at 31 December 2023, and the statement of profit or loss, the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes from 1 to 50.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position as at 31 December 2023, and its financial performance and statements of changes in shareholders' equity, and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards, are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit for the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements for the year ended December 31, 2022 have been audited by another auditor who issued an unqualified audit report on 28 February, 2023.

Responsibilities of Management and Those Charged with Governance for the Financial Statements.

The management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS). Additionally, the management is responsible for implementing internal control systems that it deems necessary to prepare financial statements free from material misstatement, whether due to fraud or error.

When preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern and for making appropriate disclosures regarding matters related to going concern and the use of the going concern basis unless management intends to liquidate the company or cease its operations, or there is no realistic alternative to do so.

The governance bodies are responsible for overseeing the process of preparing the financial reports in the company.

Independent Auditor's Report (Continued)

Key Audit Matters

Significant Audit Matter	Audit scope to meet the Significant audit matter
<p>1. Adoption of International Financial Reporting Standard No. (17) "Insurance Contracts"</p> <p>IFRS 17 replaces IFRS 4 for annual periods beginning on or after 1 January 2023.</p> <p>The Company applied International Financial Reporting Standard No. (17) "Insurance Contracts" by restating the comparative figures for the year 2022 while applying the transitional provisions of International Financial Reporting Standard No. (17) by adopting the full retrospective approach method. The impact of applying International Financial Reporting Standard No. (17) on retained earnings as of 1 January 2022 is JD 484,876.</p> <p>The adoption of the International Financial Reporting Standard No. (17) resulted in changes in the measurement of insurance contracts using updated estimates and assumptions that reflect the timing of cash flows, discount rate measurement, risk adjustment and other requirements.</p> <p>IFRS 17 requires management to apply significant judgments when applying it to the Company insurance contracts. The company issues a wide range of insurance contracts and accordingly a significant number of judgments and estimates are applied and implemented respectively.</p> <p>The implementation of IFRS 17 has also had a consequential change in processes, systems and controls. Due to the complexity, and significant judgments applied and estimates made in determining the impact of IFRS 17, this is considered to be a key audit matter.</p> <p>The Company applies the Premium Allocation Approach (PAA) to all insurance contracts it issues and holds with a coverage period of less than one year. For other contracts issued and held where the coverage period is more than one year, the company performs a premium allocation approach eligibility test to confirm whether the premium allocation approach can be applied. Subject to passing the eligibility test for the premium allocation approach, the company applied the premium allocation approach to the contracts issued and reinsurance contracts that passed the test. According to the recent test conducted.</p>	<p>How the key audit matter was addressed in the audit</p> <p>In relation to the application and impact of adoption of IFRS 17, with the assistance of the actuarial specialist, our audit procedures included:</p> <ul style="list-style-type: none"> - Obtaining an understanding of the procedures implemented by the company to assess the impact of adopting the standards, including understanding changes in accounting policies, systems, procedures, and internal controls. - Reviewing the impact of applying International Financial Reporting Standard No. (17), including the transition, measurement, and disclosure effects as of January 1, 2022, and December 31, 2022. - Assessing the competence and objectivity of the actuary appointed by the company by leveraging our own actuarial expert to verify whether the calculation methods and model used are appropriate, as well as evaluating the key assumptions and methodologies applied. - Evaluating management's procedures in identifying insurance contracts to determine the appropriate classification for such contracts and whether the use of the premium allocation approach under International Financial Reporting Standard (17) is appropriate. - Assessing the adequacy of disclosures regarding accounting policies and transitions related to International Financial Reporting Standard (17) in the financial statements. - Selecting the extent of completeness of insurance contract data by testing reconciliations of the company's insurance contract assets and liabilities with disclosed insurance contracts in the 2022 financial statements. - Disclosures related to the impact of applying International Financial Reporting Standard No. (17) are detailed in Note (3) of the financial statements.

Independent Auditor's Report (Continued)

Key Audit Matters (Continued)

Significant Audit Matter	Audit scope to meet the Significant audit matter
<p>2. Assessment of incurred liabilities and Loss component.</p> <p>The estimation of liabilities related to incurred claims and the loss component involves a high degree of judgment. This requires estimating the present value of future cash flows and adjusting for non-financial risks (which are part of the incurred claims liabilities) and the loss component (which is part of the remaining coverage liabilities). Non-financial risk adjustments are applied to the estimated present value of future cash flows and reflect the compensation required by the company for bearing uncertainty about the amount and timing of cash flows from non-financial risks when settling its obligations under insurance contracts. The present value of future cash flows depends on the best estimate of the ultimate cost of all incurred claims, whether reported or not settled as of the reporting date. The loss component is recognized at any time during the coverage period if facts and circumstances indicate that a group of contracts is onerous. This loss component is remeasured at each reporting date as the difference between the cash flow amounts at specified settlement under the general measurement model related to future service and the carrying amount of the remaining coverage liabilities excluding the loss component.</p> <p>The Company engages an external actuarial expert, the "appointed actuarial expert," to assist in estimating these liabilities. The expert uses a range of methodologies to determine these liabilities based on a number of explicit or implicit assumptions regarding the expected settlement amount and settlement patterns of claims.</p> <p>As of December 31, 2023, the estimated present value of future cash flows and the risk adjustment for non-financial risks amount to 19 million Jordanian Dinars, as disclosed in Note 13 of the financial statements.</p> <p>We have considered this a key audit matter due to the inherent uncertainty in the estimation and the subjective judgments involved in assessing the estimated present value of future cash flows and the risk adjustment for non-financial risks arising from insurance contracts.</p> <p>Refer to Note 3 for significant accounting policies, judgments, and estimates related to insurance contract liabilities.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> - Understanding, evaluating, and testing key controls around claims processing operations and provisions determination. - Assessing the competence, capabilities, and objectivity of the appointed actuarial expert based on their professional qualifications, experience, and independence. - Conducting objective tests, on a sample basis, on recorded amounts of notified and paid claims, including comparing the outstanding claims amount with appropriate source documents to assess the adequacy of reserves. - Verifying the completeness of data used as inputs in actuarial assessments and testing, on a sample basis, the accuracy of core claims data used by the appointed actuarial expert in estimating the present value of future cash flows, adjusting non-financial risks, and assessing loss components by comparing them to accounting records and other records. - Engaging our own actuarial specialists to evaluate the company's actuarial practices, adequacy of reserves held, and obtaining confirmation regarding the report issued by the appointed actuarial expert. Our actuarial specialists performed the following: <ul style="list-style-type: none"> 1- Assessing whether the company's actuarial methodologies are generally consistent with accepted actuarial practices. 2- Evaluating the appropriateness of key actuarial accounting methods and assumptions used and conducting sensitivity analysis. 3- Providing independent forecasts of the present value of future cash flows, adjusting non-financial risks and loss components for significant lines of business for comparison with amounts recorded by management. 4- Assessing the adequacy and suitability of relevant disclosures in the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements:

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not guarantee that an audit conducted in accordance with the ISAs that are endorsed in the Hashemite Kingdom of Jordan will always detect a material misstatement when it exists.

Independent Auditor's Report (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements: (Continued)

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on those financial statements.

As part of an audit in accordance with International Standards on Auditing ("ISAs") that are endorsed in the Hashemite Kingdom of Jordan, we exercise professional judgment and maintain professional skepticism throughout the audit. We are also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal Control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion, our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Management, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Management with a statement that we have compiled with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought bear on our independence, and where applicable, related safeguards.

We recommend the governing bodies to report those matters which were of significant importance during the audit of the financial statements for the current year, considering them as key audit matters. We elucidate these matters in our report unless regulations and laws prohibit public disclosure, or in extremely rare circumstances, we deem it inappropriate to report due to the negative implications of disclosure, which reasonably align with the public interest in such reporting.

Report on Other Legal and Regulatory Requirements:

United Insurance Company Public Limited Shareholding company has proper accounting records for the year ended December 31, 2023 which are, in all material aspects, consistent with the accompanying financial statements, accordingly, we recommend the general authority on approving these financial statements.

The partner in charge of the audit resulting in this auditor's report was Hasan Amin Othman; license number 674.

Date: 03 April, 2024

Amman - Jordan



United Insurance Company
(Public Limited Shareholding Company)
Financial position
As of December 31, 2023
(Jordanian Dinars)

	Note	31 December 2023	31 December 2022	1 January 2022
<u>Assets</u>				
Deposits at banks, net	6	13,089,100	11,089,100	8,310,717
Financial assets at fair value through profit or loss statement	7	165,910	108,247	125,322
Financial assets at fair value through other comprehensive income	8	5,831,651	5,692,410	5,429,328
Financial assets at amortized cost	9	4,020,001	3,547,001	4,547,001
Investment properties	10	4,750,598	4,837,957	4,774,382
Total investments		27,857,261	25,274,715	23,186,749
Cash on hand and at banks	11	933,570	896,422	628,387
Insurance contract assets, net (Premium allocation approach)	13	1,586,293	886,567	503,489
Reinsurance contract assets held, net (Premium allocation approach)	13	3,375,566	3,910,231	3,895,593
Deferred tax assets	14	658,383	662,385	687,298
Property and equipment, net	15	4,464,592	4,576,516	4,653,596
Intangible assets, net	16	15,352	9,280	15,639
Other assets	17	639,948	1,229,925	1,837,298
		11,673,704	12,171,328	12,221,300
Total Assets		39,530,965	37,446,043	35,408,050
<u>Liabilities and Shareholders' Equity</u>				
<u>Liabilities</u>				
Insurance contract liabilities (Premium allocation approach)	13	20,579,420	19,621,868	17,684,457
Total insurance contract liabilities		20,579,420	19,621,868	17,684,457
Reinsurance contract liabilities held, net	13	-	148,467	153,234
Other provisions	18	181,736	247,491	176,127
Provision for income tax	14	570,069	348,912	260,747
Deferred tax liabilities	14	26,864	26,864	26,864
Other liabilities	19	504,453	431,406	1,074,548
		1,283,122	1,203,140	1,691,520
Total liabilities		21,862,542	20,825,008	19,375,977
<u>Shareholders' Equity</u>				
Authorized and paid-up share capital	20	8,000,000	8,000,000	8,000,000
Share premium		41,507	41,507	41,507
Statutory reserve	21	2,000,000	2,000,000	2,000,000
Accumulated change in fair value	24	(10,745)	(113,779)	(308,460)
Retained earnings	25	7,637,661	6,693,307	6,299,026
Total Shareholders' Equity		17,668,423	16,621,035	16,032,073
Total Liabilities and Shareholders' Equity		39,530,965	37,446,043	35,408,050

The accompanying notes from 1 to 50 are an integral part of these financial statements

United Insurance Company
(Public Limited Shareholding Company)
Statements of Profit or Loss
For the year ended December 31, 2023
(Jordanian Dinars)

	Notes	2023	2022
Revenues:			
Insurance contract revenues	27	28,415,713	26,162,555
Insurance contract expenses	28	(22,706,474)	(21,657,984)
Insurance contract service result		5,709,239	4,504,571
Reinsurance contracts revenues	29	3,739,685	5,236,035
Reinsurance contracts expenses	30	(8,031,885)	(8,733,158)
Reinsurance contracts results		(4,292,200)	(3,497,123)
Net insurance operations results		1,417,039	1,007,448
Finance revenues/ (expenses) - insurance contracts	31	(53,351)	30,509
Finance revenues/ (expenses) – reinsurance contracts	32	(85,706)	21,378
Net financing results of insurance operations		32,354	9,131
Interest income	33	984,018	700,740
Profit from financial assets and investments	34	513,417	324,280
Other revenues	35	53,263	18,017
Net investment revenue		1,550,698	1,043,037
Net results of insurance and investment			
(Total revenues)		3,000,091	2,059,616
Expected credit losses provision		(27,000)	(818)
Other Expenses	36	(574,700)	(452,155)
Total expenses		(601,700)	(452,973)
Net profit/(loss) for the year before income tax		2,398,391	1,606,643
Income tax expense	14	(597,550)	(372,958)
National contribution fees	14	(56,487)	(39,404)
Net profit/(loss) for the year after income tax		1,744,354	1,194,281
Earnings per share from net profit/(loss) for the year	37	0.218	0.149

The accompanying notes from 1 to 50 are integral part of these financial statements

United Insurance Company
(Public Limited Shareholding Company)
Statement of Other Comprehensive Income
For the year ended December 31, 2023
(Jordanian Dinars)

	<u>Note</u>	<u>2023</u>	<u>2022</u>
Net profit/(loss) for the year		1,744,354	1,194,281
Add: Other comprehensive income items:			
Change in fair value reserve	43	103,034	194,681
Total comprehensive income/(loss) for the year		<u><u>1,847,388</u></u>	<u><u>1,388,962</u></u>

The accompanying notes from 1 to 50 are an integral part of these financial statements

United Insurance Company
(Public Limited Shareholding Company)
Statement of Changes in Shareholders' Equity
For the year ended December 31, 2023
(Jordanian Dinars)

					<u>Retained earnings/ (Accumulated losses)</u>			
	<u>Share Capital</u>	<u>Share premium</u>	<u>Statutory Reserve</u>	<u>Fair value reserve</u>	<u>Realized</u>	<u>Unrealized</u>	<u>Sub-total</u>	<u>Total</u>
<u>2022</u>								
Balance as of December 31, 2021 - Before adjustment for the impact of the implementation of (IFRS 17)	8,000,000	41,507	2,000,000	(308,460)	6,741,232	42,670	16,516,949	6,783,902
The impact of the implementation of (IFRS 17)	-	-	-	-	(484,876)	-	(484,876)	(484,876)
The balance as of December 31, 2021- After adjustment	<u>8,000,000</u>	<u>41,507</u>	<u>2,000,000</u>	<u>(308,460)</u>	<u>6,256,356</u>	<u>42,670</u>	<u>16,032,073</u>	<u>6,299,026</u>
Net profit/ (loss) for the year	-	-	-	-	1,194,281	-	1,194,281	1,194,281
Change in fair value reserve	-	-	-	194,681	-	-	194,681	-
Other comprehensive income for the year	-	-	-	194,681	1,194,281	-	1,388,962	1,194,281
Dividends	-	-	-	-	(800,000)	-	(800,000)	(800,000)
<u>2023</u>								
The balance as of December 31, 2022	<u>8,000,000</u>	<u>41,507</u>	<u>2,000,000</u>	<u>(113,779)</u>	<u>6,650,637</u>	<u>42,670</u>	<u>16,621,035</u>	<u>6,693,307</u>
Net profit/ (loss) for the year	-	-	-	-	1,744,354	-	1,744,354	1,744,354
Change in fair value reserve	-	-	-	103,034	-	-	103,034	-
Other comprehensive income for the year	-	-	-	103,034	1,744,354	-	1,847,388	1,744,354
Dividends	-	-	-	-	(800,000)	-	(800,000)	(800,000)
Balance as of December 31, 2023	<u>8,000,000</u>	<u>41,507</u>	<u>2,000,000</u>	<u>(10,745)</u>	<u>7,594,991</u>	<u>42,670</u>	<u>17,668,423</u>	<u>7,637,660</u>

The accompanying notes from 1 to 50 are an integral part of these financial statements

United Insurance Company
(Public Limited Shareholding Company)
Statement of Cash Flows
For the year ended December 31, 2023
(Jordanian Dinars)

	2023	2022
Cash flow from Operating Activities:		
Net profit/(loss) for the year before income tax	2,398,391	1,606,643
Adjustments to reconcile net profit/ (loss) before income tax to net cash flow provided by/ (used in) operating activities:		
Depreciation and amortization	258,637	266,484
Expected credit losses for financial assets in amortized cost	27,000	-
Net change in fair value of financial assets through profit or loss statement	(57,663)	17,075
Interest income	(984,018)	(700,740)
Cash flows from operating activities before changes in working capital	1,642,347	1,189,462
Changes in working capital		
Insurance contract assets -net	(699,726)	(383,079)
Reinsurance contract assets -net	534,665	(14,638)
Other assets	593,981	632,286
Insurance contract liabilities	957,552	1,937,411
Reinsurance contract liabilities	(148,467)	(4,767)
Other provisions paid	(65,755)	71,364
Other liabilities	73,047	(643,142)
Cash flows provided by/ (used in) operating activities before income tax	2,887,644	2,784,898
Income tax paid	(432,882)	(321,604)
Net cash flows provided by / (used in) operating activities	2,454,762	2,463,294
<u>Cash flow from Investing Activities</u>		
Deposits at banks	(2,000,000)	(2,778,383)
Purchase of property and equipment- Net	(55,425)	(99,130)
Purchase of intangible assets	(10,000)	-
purchase of investment properties	-	(150,084)
(Purchase)/ Sale financial assets in amortized cost	(500,000)	1,000,000
Purchase of financial assets	(36,207)	(68,401)
Interest payable	984,018	700,740
Net cash flows provided by/ (used in) investing activities	(1,617,614)	(1,395,258)
<u>Cash flow from financing activities</u>		
Dividends from retained earnings	(800,000)	(800,000)
Cash flows provided by/ (used in) financing activities	(800,000)	(800,000)
Net increase/ (decrease) in cash and cash equivalent	37,148	268,035
Cash and cash equivalent at beginning of the year	896,422	628,387
Cash and cash equivalent at the end of the year	933,570	896,422

The accompanying notes from 1 to 50 are an integral part of these financial statements

United Insurance Company
(Public Limited Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2023

1. Legal Status and Activities

The United insurance company was established in 1972 under the Jordanian Companies Law and its amendments under No. (74) as a Public Limited Shareholding company. United Insurance was merged with the East Egyptian insurance company and the New India Insurance Company in Jordan. The merger took effect as of beginning of the year 1988, and the resulting company from the merger (United insurance Company) become a general successor to the merged companies. Several adjustments have been made to the capital, the last of which was during 2008 where the authorized and paid-in capital became JD 8 million, divided into 8 million shares with a nominal value of JD 1 Per share.

The Company's address is at Zahran Street, Building No. (188), P.O. Box 7521, Amman 11118, Jordan.

The Company aims to practice all types of insurance, including the field of life insurance.

The financial statements were approved by the Board of Directors' decision held on 14 February 2024.

2. Basis of Preparation

The financial statements of the Company have been prepared in accordance with the standards issued by the International Accounting Standards Board ("IASB") and in accordance with the applicable local laws and according to the forms set by the Central Bank of Jordan ("CBJ").

The financial statements have been prepared according to the historical cost principle, with the exception of financial assets at fair value through statement of profit or loss or other comprehensive income, details of which appear in their accounting policies.

The Jordanian Dinar is the currency of showing the financial statements, which represents the main currency of the Company.

The most important accounting policies used in the preparation of the financial statements, which are disclosed in Note (5), have been applied on a consistent basis for all the years presented, unless otherwise stated.

The preparation of the financial statements in accordance with International Financial Reporting Standards ("IFRS") requires the use of significant and specific accounting estimates, and also requires management to use its own estimates in the process of applying the Company's accounting policies. Items in which significant estimates were used are disclosed in Note No. (4).

3. Application of international accounting standards for preparing new and amended financial reports

The accounting policies followed in preparing the financial statements are consistent with those followed in preparing the financial statements for the fiscal year ending on December 31, 2023, except that the Company applied the following amendments as of January 1, 2023, if any:

A. New and amended IFRS Standards that are effective for the current year:

IFRS 17 Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17) - Supersedes IFRS 4 Insurance Contracts.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements - Disclosure of Accounting Policies.

Amendments to IAS 12 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction.

Amendments to IAS 12 Income Taxes - International Tax Reform - Pillar Two Approach Rules.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates

United Insurance Company
(Public Limited Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2023

3. Application of international accounting standards for preparing new and amended financial reports (continued)

The impact of the implementation of IFRS 17 on the retained earnings as of December 31, 2023:

<u>Statement name</u>	<u>Amount</u>
Loss component	(524,013)
The estimated current cash flows to third parties have been reduced by an amount of 439,537 - Vehicles	439,537
The estimated current cash flows to third parties have been reduced by an amount of 391,800 - Medical	391,800
The estimated current cash flows to third parties have been reduced by an amount of 215,172 - Medical insurance reinstatement shares	(215,172)
Cash discount (financing expenses)	941,143
Non-financial risk margin	(918,064)
The reinsurers' share of the cash discount	(217,345)
The reinsurers' share of the non-financial risk margin	195,723
Deferred Acquisition Costs (DAC)	309,079
Deferred Acquisition Commissions (DAC)	(144,224)
Deferred Acquisition Charges (DAC)	(243,600)
Business Interruption Reserve (Undistributed Expenses)	(499,740)
Net effect on retained earnings	(484,876)

B. New and revised IFRS Accounting Standards in issue but not yet effective:

Standard	Effective date
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Has not yet been determined, with early application permitted
Amendments to IAS 1 Presentation of Financial Statements - Classification of Liabilities as Current or Non-current	On or after 1 January 2024, with early application permitted
Amendments to IAS 1 Presentation of Financial Statements—Non-current Liabilities with Covenants	On or after 1 January 2024, with early application permitted
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements	On or after 1 January 2024, with early application permitted
Amendment to IFRS 16 Leases—Lease Liability in a Sale and Leaseback	On or after 1 January 2024, with early application permitted
IFRS S1- General Requirements for Disclosure of Sustainability – related financial information	On or after 1 January 2024, with early application permitted
IFRS S2 - Climate Related Disclosures	On or after 1 January 2024, with early application permitted

4. Use of Estimates and Assumptions

Preparing financial statements and applying accounting policies requires the Company's management to make estimates and judgments that affect the amounts of financial assets and financial liabilities and the disclosure of potential liabilities. These estimates and judgments also affect revenues, expenses, and allocations, as well as changes in the fair value that appear in the profit or loss statement and in shareholders' equity. In particular, it requires the Company's management to issue important judgments and judgments to estimate the amounts and times of future cash flows. The aforementioned estimates are necessarily based on multiple assumptions and factors that have varying degrees of estimation and uncertainty, and that the actual results may differ from the estimates as a result of changes resulting from the conditions and circumstances of those estimates in the future.

The nature and extent of the changes in the estimates of the amounts contained in the reports of previous financial years do not have a material impact on the current data. Our estimates in the financial statements are reasonable and detailed as follows:

Expected Credit Loss

The Company applies the simplified approach imposed by International Financial Reporting Standard No. (9) to recognize impairment by measuring expected credit losses over the life of receivables and contractual assets based on the historical cash flow ratio for collection.

Expected loss rates are based on the Company's historical credit losses experienced during the prior three-year period up to the end of the current period, and historical loss rates are then adjusted for current information. Since the Company is based on historical cash flow ratios without including economic factors, Standard No. 9 does not require including these factors.

Impairment in the value of financial assets

The Company reviews the values recorded of the financial assets at the date of the financial statements to determine whether there are indications of impairment in their value individually or in the form of a Company, and in the event of such indications, the fair value is estimated in order to determine the impairment loss.

Income Tax

The financial year was charged with its income tax expense in accordance with the regulations, laws and international financial reporting standards as follows:

1- Accrued Tax

Income tax was estimated in accordance with International Financial Reporting Standard No. 17, noting that the income and sales tax law had not been amended as of the date of preparing the financial statements.

Taxes are calculated according to the tax rates established under the laws, regulations and instructions in the Hashemite Kingdom of Jordan.

2- Deferred Tax

Deferred taxes are the taxes expected to be paid or recovered as a result of temporary time differences between the value of assets or liabilities in the financial statements and the value on which the tax profit is calculated. Taxes are calculated using the compliance method in the financial statements. Deferred taxes are calculated according to the tax rates that are expected to be applied upon settlement. Tax liability or realization of deferred tax assets.

The balance of deferred tax assets is reviewed at the date of the financial statements and reduced in the event that it is expected that it will not be possible to benefit from those tax assets, partially or completely, or to settle the tax liability or select the need for it.

4. Use of Estimates and Assumptions (continued)

Property, equipment and intangible assets

The management periodically reassesses the useful lives of tangible and intangible assets for the purpose of calculating annual depreciation and amortization depending on the assets and the estimated useful lives expected on the general situation in the future. Impairment loss, if any, is recorded in the profit and loss statement.

The present value of future cash flows

Flows are defined as all amounts expected to be collected and expected to be paid within the limits of the insurance contract / reinsurance contract held after adjusting them to reflect the timing and uncertainty of those amounts, based on actuarial assumptions and the Company's experience in insurance contracts and reinsurance contracts held.

Future cash flows are recognized at the current value of insurance contracts, using historical cash flows and the local rate of return on local bonds issued by the Central Bank of Jordan, as they are closest to the Company's reality. The income or expense from discounting cash flows is treated through the statement of profit or loss. Or for reinsurance contracts, the percentage of illiquidity risks is deducted.

The Company will not calculate a present value for future cash flows on insurance and reinsurance premiums whose duration is less than 12 months.

When developing assumptions regarding estimating flows for groups of insurance contracts, the Company must take into account the following:

- Inherent risks.
- Aggregation level.
- The possibility of natural disasters.
- The possibility of liquidating the contract before the expiration date of insurance coverage, and other practices expected from the insurance contract holder.
- Factors that will affect estimates, and sources of information for these factors.

Non-insurance Components

- The Company discloses the following aspects:
- Defining the insurance risks.
- Defining the insurance contract, and defining the written insurance contracts that are consistent with the definition.
- Determining the contracts issued by the Company that are consistent with the definition of the insurance contract.
- The mechanism for separating the non-insurance components (investment component, service component, etc.) from the insurance contract, and if they exist, the most specialized standard that will be applied to address those components is mentioned.
- Mechanism for determining the materiality of the risks of the insurance contract.

Lawsuits

A- There are cases filed against the company and their value according to the lawsuits and lawsuits in which non-conclusive judgments were issued amounted to 4,077,846 JOD for the year 2023 (5,788,977 JOD for the year 2022) and there is a provision for claims under settlement, and according to the expectations and opinion of the company's legal advisor, the provision for claims under settlement is sufficient.

B- The value of the cases filed by the company against third parties amounted to 2,869,952 JOD as of 31 December 2023 (4,973,304 JOD: 2022) represented in receivables due to the company and bounced checks as a result of the company's practice of its normal activity.

4- Use of Estimates and Assumptions (continued)

Fair Value Levels

Fair value is the value that is expected to be received when selling an asset, or paid to transfer any liability in regular transactions between market participants on the measurement date under prevailing market conditions, regardless of whether that price is directly observable or estimated using another valuation method. The fair value measurement is based on the assumption that the asset or liability will be sold either:

- Through the main market for the assets or liabilities, or
- Through the most advantageous market for assets or liabilities in the absence of a primary market.

The main or most advantageous market must be accessible to the Company.

Fair value is measured using the assumptions used by market participants when pricing assets or liabilities, assuming that market participants act in a way that achieves the best economic benefits for them.

Measuring the fair value of non-financial assets takes into account the ability of market participants to provide economic benefits by using the assets in a way that achieves the best benefit from them or by selling them to another market participant to use them in a way that achieves the best benefit from them. The Company uses valuation methods that are appropriate to the existing circumstances and conditions and has sufficient data to measure fair value, makes greater use of relevant observable data, and reduces the use of unobservable data to the greatest extent.

All assets and liabilities that are measured at fair value or disclosed in the financial statements are classified within the hierarchy of fair value levels mentioned below and on the basis of the lowest level inputs that are significant to the fair value measurement as a whole:

- Level One: Prices traded in an active market for similar assets or liabilities.
- The second level: measurement methods that consider the lower-level inputs (important for measuring fair value) that are directly or indirectly observable.
- The third level: measurement methods that consider the lowest level inputs - that are significant to measuring fair value - to be unobservable.

The fair value measurement of available-for-sale financial assets, and non-recurring measurements, such as assets held for distribution in a discontinued operation, are evaluated on a periodic basis.

For the purpose of fair value disclosure, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as described above.

5-Significant Accounting Policies

A. Segments Information

The business segment represents a Company of assets and operations that jointly provide products or services that are subject to risks and returns that differ from those related to other segments, which are measured according to the reports that were used by the CEO and the main decision maker of the Company.

The geographical segment is related to providing products or services in a specific economic environment subject to risks and returns that differ from those related to sectors operating in other economic environments.

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5. Significant Accounting Policies (continued)

B. Good will

The company does not record the value of goodwill.

C. Insurance contracts

Definition of insurance contract

It is a contract whereby one party (the issuer) accepts a substantial insurance risk from another party (the contract holder), by agreeing to compensate the contract holder in case of the occurrence of a specific and uncertain future event (the insured event) such that this event, if it occurs, adversely affects the contract holder/beneficiary, the insurance contract is recognized according to the following deadlines, whichever is earlier:

- The beginning of the contract coverage period.
- The due date of the first contract installment.
- The date on which the insurance contract is considered a contract with an expected loss.

Company's products

All contracts issued by the Company meet the definition of an insurance contract. Below is a breakdown of the insurance contracts issued by the Company that meet the definition:

<u>Main Insurance Type</u>	<u>Sub-Insurance Type</u>	
<u>Engineering</u>	Electronic Equipment	Boilers and Pressure Vessel
	Contractors All Risks (C.A.R)	Contractors Plant & Machinery/
	Deterioration Of Stock	Equipment
	Loss of Profit Following Machinery/Breakdown	Machinery Breakdown Insurance
<u>Public liabilities</u>	Employer's Liability	Erection All Risks (E.A.R)
	General And Product Liability	Public Liability Insurance
	Professional Indemnity Insurance	Cyber
	Workmen Compensation (WCP)	Airport Liability Insurance
	Professional Indemnity Insurance - Brokers	Directors & Officers Liability
<u>Fire</u>	Property All Risks	Event Cancellation
	Fire & Allied Perils	Jewelers' Block
	Property Terrorism	HOUSE HOLDERS
<u>Other</u>	Travel Insurance	Resident
	Transit	Financial loss
	Personal Accidents (P.A)	Bankers Blanket Bond. (B.B.B)
	Plate Glass (P.G)	Money Insurance
	Burglary	Commercial Crime
	Kidnap & Ransom	Fidelity Guarantee (F.G)
<u>Aviation</u>	Aviation Insurance	
<u>Vehicles</u>	Vehicles- Pool	Orange Card
	Vehicles- Comprehensive	supplemental
	Vehicles- Third party liability	Buses
<u>Life</u>	Individual	unanimous
<u>Marine</u>	Ship hulls	Marine Cargo
<u>Medical</u>	Individual	unanimous

5- Significate Accounting Policies (continued)

Direct participating feature

The direct participation feature in IFRS 17 is defined as insurance contracts that have economic characteristics similar to an insurance contract (long term of coverage, frequent premiums and amount or timing of return at the discretion of the issuer) and are linked to a portfolio of assets. Contracts that contain this feature at the beginning of the contract, include:

- The contractual terms specify that the insurance contract holders participate in a share of the insurance contract portfolio.
- The Company expects to pay the contract holder a significant share of the fair value proceeds from the portfolio of insurance contracts.
- The Company expects that a significant proportion of any change in the amounts that will be paid to the contract holder will vary with the change in the fair value of the insurance contracts portfolio.

Types of direct participating feature

Investment contracts:

Investment contracts that have a legal form similar to an insurance contract but do not transfer significant insurance risk to the issuer and bear financial risks (embedded derivatives, change in the fair value of an instrument, change in interest rates, change in currency exchange rates, or credit rating) are classified as investment contract in accordance with IFRS (9).

Investment contracts that contain the feature of voluntary participation, which are investment contracts that have a legal form similar to an insurance contract, but do not transfer significant insurance risks to the issuer and do not meet the definition of an insurance contract, but are classified in accordance with International Financial Reporting Standard No (17).

Self-insurance:

Self-insurance (keeping the risks that could have been covered by the insurance contract within the Company, there is no other party to the contract). For example, a Company issuing an insurance contract in the name of the Company or a fellow subsidiary, which is classified in accordance with IFRS 15.

The Company issues the following contracts that are classified according to IFRS 15:

- Medical insurance contract for employees of the United Insurance Company.
- Life insurance contract for employees of the United Insurance Company.
- Vehicle insurance contracts owned by the United Insurance Company.
- All-risk insurance contracts for buildings owned by the United Insurance Company.

Separation of non-insurance components

The investment component

A Company is required to separate the distinct investment component distinct from the underlying insurance contract when the investment component is distinct if and only if the following two conditions are met:

- 1- The investment component and the insurance component are not closely related.
- 2- The contract is sold on equivalent terms, or may be sold, September separately in the same market or jurisdiction, either by the entities issuing the insurance contracts or by other parties.

The investment component and the insurance component are directly related if, and only if:

- 1- The Company was unable to measure one component without looking at the other. Therefore, if the value of one component varies according to the value of the other component, the Company must apply IFRS 17 to calculate the co-investment and insurance component

5- Significate Accounting Policies (continued)

Separation of non-insurance components (continued)

The investment component (continued)

2- The policyholder cannot benefit from one of the components unless the other is also present. Therefore, if the lapse or maturity of one component of a contract causes the lapse or maturity of the other, the Company must apply IFRS 17 to account for the investment component and the combined insurance component.

The Company issues the following contracts, which are classified according to International Standard No. (15) as follows:

- Medical insurance contract for Company name employees.
- Life insurance contract for Company name employees.
- Vehicle insurance contracts owned by the Company name.
- All-risk insurance contracts for buildings owned by the Company name.

Components of services and goods

The Company shall September rate any undertaking to transfer distinct goods or services to the policyholder other than insurance contract services. And it must account for these commitments by applying International Financial Reporting Standard 15. Accordingly, it is:

- 1- Separate the cash inflows between the insurance component and any promises to provide distinct goods or services other than insurance contract services;
- 2- Separate the cash outflows between the insurance component and any promised goods or services other than insurance contract services, so that:
 - The cash outflows that relate directly to each component are attributable to that component; and
 - Any cash outflows are attributed on a systematic and logical basis, reflecting the cash outflows the entity expects to arise as if this component were a Separate contract.

A good or service other than the insurance contract promised to the policyholder is not distinctive if:

- A- The cash flows and risks associated with the good or service are closely related to the cash flows and risks associated with the insurance components of the contract; and
- B- The establishment provides an important service in linking the commodity or service with the components of the insurance.

The Company has the following service component that is not Separated from the insurance contract under item (a + b):

<u>Service / commodity</u>	<u>Insurance contract that includes the service / commodity</u>	<u>Related international standard</u>
Road assistance	Comprehensive/supplementary car insurance	IFRS 17
Transfer vehicle ownership	Motor vehicles	IFRS 17
Issuance fees service	All types	IFRS 17

5- Significate Accounting Policies (continued)

Acquisition cost

An entity shall allocate acquisition costs to the acquisition of the insurance contract to groups of insurance contracts and amortize them over the term of the contract, unless the entity elects to recognize them as an expense by applying paragraph 59 (a), which states:

When applying the premium allocation approach, the entity:

It may choose to recognize any cash flows from acquiring insurance as an expense when those costs are incurred, provided that the coverage period for each contract in the Company on initial recognition does not exceed one year.

Recognition of the insurance contract

The Company shall recognize the Company of insurance contracts as of the following dates, whichever is earlier:

- The beginning of the coverage period.
- Eligibility for the first payment.
- The date on which the insurance contract is considered a contract with an expected loss.

When a group of contracts becomes burdensome, the Company adopts the contract registration date instead of the payment due date, as there is no data indicating that the payment due date precedes the contract registration date, which equals the beginning of the insurance coverage.

Amending Insurance Contracts

The Company makes adjustments to the initial recognition of insurance contracts by dealing with the changes that occurred in the future cash flows to fulfill the contracts, unless the conditions for derecognition of insurance contracts apply to them.

Derecognition of insurance contracts

The Company derecognizes insurance contracts in the following cases:

- Expiration of the contract. (Expiration, fulfillment or cancellation of the obligation specified in the Insurance contract).
- In case that the insurance contracts are amended so that the contract no longer meets the requirements of the standard, then the Company cancels the contract and recognizes a new one.

Liabilities versus remaining coverage

The amount that the Company must reserve when recognizing insurance contracts, which relates to subsequent financial years as a result of valid insurance contracts.

Liabilities versus claims incurred

It is the total value of the expected costs incurred by the Company as a result of risks covered by the insurance contract that occurred before the end of the fiscal year, and includes those reported and unreported claims, in addition to the expenses related to them.

Contractual service margin

It is the unearned profit from remaining coverage that is expected to be profitable, and which is recognized in conjunction with the provision of insurance contract services.

5- Significate Accounting Policies (continued)

Initial recognition of insurance contracts / general measurement approach / variable cost approach

The Company of insurance contracts is measured upon initial recognition according to the following:

1. Cash flows to fulfill obligations arising from contracts, which include:
 - Estimates of future cash flows.
 - Adjustments for the time value of money and the financial risks associated with future cash flows by not including those financial risks in future cash flow estimates.
 - Non-financial risk adjustments.
2. Contractual service margin.

Contracts measurement approach

The standard provides insurance companies with three approaches for measuring and processing insurance contracts and reinsurance contracts held by accounting, as follows:

1- Premium allocation approach:

It applies to the group of insurance contracts shown below:

- The duration of the insurance coverage does not exceed one year.
- In which the value of "Liabilities vs. Residual Coverage" does not substantially differ from its value when applying the requirements of the general approach.

2- General approach:

It is applied to all insurance contracts, where it is required to measure the obligations of the insurance contract groups by deducting the future cash flows “incoming and outgoing”, and then subtracting from them non-financial risk adjustments to reach the contractual service margin, which represents the unearned profit from the group of insurance contracts.

3- Variable cost approach:

It is the approach through which some requirements of the general approach are modified to deal with investment contracts that include the participation feature.

The Company applies the premium allocation approach to all insurance contracts and reinsurance contracts held, as the Company does not have products or reinsurance contracts held in which the coverage period exceeds one year, unlike travel and diminishing life insurance, as the coverage period for these contracts is more than one year, and since the premiums of these products combined are less than 100,000 JD and it is not of relative importance when applying premium allocation approach.

Materiality

The relative importance of the company is 3% of the total equity.

The test of the applicability of the premium allocation approach was applied to travel, life and engineering insurance as the coverage period for these contracts is more than one year and the premiums of these products combined are less than 100,000 Jordanian dinars and are not of relative importance when applying the premium allocation approach.

Measurement approaches

Premium allocation approach

1- Initial proof of insurance contracts:

- Upon initial verification, the Company records the amount of the insurance premium received as a liability, from which the acquisition costs (commissions “if any”) are subtracted and distributed throughout the year of coverage.
- The amount of insurance premium not received is not recognized upon initial recognition.

5- Significate Accounting Policies (continued)

2- Subsequent measurement/ installment allocation approach (continued):

At the end of each subsequent year, the Company measures the carrying amount of the liability, taking into consideration the following adjustments to the liability balance:

- Add the insurance premiums received for the year.
- Subtract cash flows for the acquisition of insurance contracts.
- Add any amounts related to the exhaustion of cash flows to acquire established insurance contracts as an expense.
- Add emergency amendments to the financing component.
- Subtract the amount proven as insurance revenue for the coverage provided in that year.
- Subtract any paid or transferred investment component of the liability for claims incurred.

The Company recognizes insurance contract assets for insurance contracts for which service is provided but has not been collected. Expected credit losses for these assets are treated under IFRS No. (9).

3 - Liabilities for claims incurred:

Which is calculated according to the best estimate of future cash flows to pay claims plus adjustments for non-financial risks, taking into account the application of the discount rate to claims.

Aggregation level

Insurance contract portfolios are grouped by year of subscription so that they group similar risk portfolios managed together.

The present value of future cash flows

Flows are defined as all amounts expected to be collected and expected to be paid within the limits of the insurance contract/reinsurance contract held after adjusting to reflect the timing and uncertainty of these amounts, based on actuarial assumptions and the Company's experience in managing a portfolio of contracts. Insurance/ reinsurance contracts held are as follows:

- Inherent risks.
- Aggregation level.
- The possibility of natural disasters.
- The possibility of liquidating the contract before the expiration date of insurance coverage, and other practices expected from the insurance contract holder.
- Factors that will affect estimates, and sources of information for these factors.

A bottom-up approach has been applied in determining discount rates for different products. The bottom-up approach is used to derive the discount rate for cash flows that do not change based on the returns on the underlying terms in the participating contracts (except for non-DPL investment contracts that are not within the scope of IFRS 17). Under this approach, the discount rate is defined as the risk-free return adjusted for differences in liquidity characteristics between the financial assets used to derive the risk-free return and the cash flows of the related liabilities (known as the illiquidity premium). The risk-free return is derived using swap rates available in the market denominated in the same currency as the product being measured. When swap rates are not available, highly liquid sovereign bonds with a credit rating of AAA are used. Management uses judgment to evaluate the liquidity characteristics of the cash flows of liabilities. Direct participation contracts and investment contracts with the DPL are less liquid than the financial assets used to derive the risk-free return. For these contracts, the illiquidity premium is estimated based on the market-observed illiquidity premium in the financial assets adjusted to reflect the illiquidity characteristics of the cash flows of the liabilities.

5- Significant Accounting Policies (continued)

The present value of future cash flows (continued)

The top-down approach is used to derive discount rates for cash flows that do not change based on the returns on the underlying terms in all other contracts within the scope of IFRS 17. Under this approach, the discount rate is determined as the return implicit in the fair value of a reference portfolio adjusted for the differences between the reference portfolio of assets and the cash flows of the relevant liabilities. The reference portfolio consists of a mix of sovereign bonds and corporate bonds available in the markets, and assets are selected to match the cash flows of liabilities. The return from the reference portfolio is adjusted to remove expected and unforeseen credit risks and these adjustments are estimated using information from observed historical levels of credit default swaps and credit defaults related to the bonds included in the reference portfolio. For the unobservable year, the yield curve is approximated between the rate The final and last point can be observed using the Smith-Wilson method.

The Company does not calculate a present value for future cash flows on insurance and reinsurance premiums whose duration is less than 12 months.

The Company calculates a present value of future cash flows on claims incurred, recoveries and liabilities from reinsurance contracts held based on the Company's assessment if payment or collection is expected after more than 12 months.

To calculate the discount rate, a top-down approach will be used as follows:

A- Risk-free yield curve:

The risk-free yield curve will be derived as follows:

- 1- European Insurance and Occupational Pensions Authority (eiopa) rates will be used for the purposes of determining the interest rate according to the required year.
- 2- An increase margin of (1.5%) will be added to the above interest rate for the purposes of equating the interest from the dollar to the dinar, since the Company's investments are in the Jordanian dinar.

B- Market risk premium for credit risk:

The market risk premium for credit risk will be removed from the yield curves to account for "default" in insurance contracts as follows:

Discount rate = risk-free rate - market risk premium for credit risk

Non-financial risk adjustments

A financial amount that the Company reserves for uncertainty in the amount and timing of cash flows arising from non-financial risks based on actuarial assumptions and the Company's experience in managing the portfolio of insurance/reinsurance contracts held.

Non-financial risk adjustment is the compensation required for a Company to bear uncertainty about the amount and timing of cash flows that arise from non-financial risks in fulfilling an insurance contract. Because risk adjustment represents compensation for uncertainty, estimates of the degree of diversification benefits and expected favorable and unfavorable outcomes are made in a way that reflects the degree to which the firm reduces risk. The Company estimates an adjustment for non-financial risks separately from all other estimates. The risk adjustment is calculated at the issuer level and then distributed to each group of contracts according to their risk levels. The cost of capital method is used to derive the overall risk adjustment for non-financial risks. In the cost of capital method, the risk adjustment is determined by applying a cost rate to the present value of expected capital related to non-financial risks.

The cost rate for non-financial risk adjustments was determined according to the following ratios:

5- Significate Accounting Policies (continued)

Non-financial risk adjustments (continued)

- 1- Third party insurance (5%)
- 2- Insurance of complexes at a rate of (5%)
- 3- Comprehensive insurance (3%)
- 4- Medical insurance at a rate of (5%)
- 5- Life insurance at a rate of (21%)
- 6- Fire insurance at a rate of (17%)
- 7- Engineering insurance at a rate of (19%)
- 8- Liability insurance at a rate of (17%)
- 9- Marine insurance (17%)
- 10- Other insurances (17%)

A confidence level of 75% is set and is expected to be in line with the run-off of the business and a diversification feature is included to reflect the diversity in contracts sold across geographies as this reflects the compensation required by the Company. The non-financial risk adjustments are re-evaluated annually by the actuary.

Reinsurance contracts held

Definition of reinsurance contracts held

It is an insurance contract issued by a reinsurer to compensate another facility for claims arising from one or more insurance contracts issued by that other Company (the basic contracts).

1- Proof of reinsurance contracts held:

- If the reinsurance contracts held are proportional to a group of insurance contracts, the reinsurance contracts held are recognized at the beginning of the coverage year for the group of these contracts or at the initial confirmation of any of the base contracts, whichever is earlier.
- From the beginning of the coverage year for the group of reinsurance contracts held.

2- Compilation of reinsurance contracts:

The Company segments its reinsurance contract portfolios in accordance with paragraphs 14 to 24 of IFRS 17, except that references to onerous contracts in those paragraphs should be replaced with a reference to contracts for which there is a net gain on recognition. Initial. For some reinsurance contracts held, application of paragraphs 14 to 24 of IFRS 17 will result in a group consisting of a single contract. The Company collects reinsurance contracts held into separate portfolios (Portfolio) to be classified and processed independently for the year of underwriting (Cohort) and then profitability (Group) at the portfolio level.

A) Determine the portfolios of reinsurance contracts held:

The Company determines the portfolios of reinsurance contracts held. The portfolio consists of contracts subject to similar risks and managed together (reinsurance portfolios held follow insurance contract portfolios).

B) Proof of aggregation level (Cohort):

The Company details the reinsurance contract portfolios held according to the above-mentioned classifications by year of subscription on an annual basis as follows:

- 1- A group of contracts that are unlikely to generate net profit.
- 2- A group of contracts that are likely to become net profit.
- 3- A group of other contracts.

The Company evaluates the profitability of the group of reinsurance contracts held based on the evaluation of insurance contracts.

Reinsurance contract commissions

The Company records the commission on reinsurance contracts as unaccrued income and is recovered over the contract term.

5- Significate Accounting Policies (continued)

Reinsurance contract commissions

The Company records the commission on reinsurance contracts as unaccrued income and is recovered over the contract term.

Reinsurance contract assets

When measuring the assets of reinsurance contracts, the risk allowance for the default of reinsurance companies (reinsurers) is calculated outside the framework of Standard No. (17), as they are considered credit risks that are treated under Standard No. (9).

Profitability level

The contract groups referred to in the previous level are classified into the classifications shown below, according to the net cash flows expected from the contract and the accounting approach used in treating the contract groups:

- Contracts for which there is no possibility of becoming lost upon initial recognition.
- Contracts expected to be lost.

Financial assets

Financial assets are classified upon initial recognition into one of the categories as follows:

- At amortized cost.
- At fair value through profit or loss.
- At fair value through the statement of other comprehensive income.

A- Financial assets at amortized cost:

The Company classifies financial assets at amortized cost based on the Company's business approach for managing financial assets and the contractual cash flow characteristics of the financial assets and when both of the following conditions are met:

- The purpose of holding these assets in the context of the business approach is to collect contractual cash flows.
- The cash flows under the contractual terms of these assets arise on specified dates and represent only payments of the principal amount of the assets and interest accrued on the principal of those assets.

Financial assets are recorded at amortized cost using the cost method upon purchase plus acquisition expenses. The premium/discount (if any) is amortized using the effective interest method to limit or calculate interest, and any provisions resulting from a decline in the value of these investments that lead to the inability to recover this investment are deducted. Part of it, and any decrease in its value is recorded in the profit and loss statement.

The amount of impairment in financial assets at amortized cost is the difference between the recognized value and the present value of expected cash flows discounted at the base effective interest rate.

In rare cases, the standard allows these assets to be measured at fair value through the statement of profit or loss if this eliminates or significantly reduces the measurement inconsistency (sometimes called accounting mismatch) that arises from measuring the assets or liabilities or recognizing the gains and losses resulting from them on a different basis.

The value of financial assets is reduced at amortized cost by impairment losses, as interest income, gains and losses on foreign currency differences and impairment are recognized in the statement of profit or loss, and gains or losses resulting from the disposal of financial assets appear in the statement of profit or loss.

B- Financial assets at fair value through the statement of profit or loss:

- The remaining financial assets that do not meet the conditions of financial assets at amortized cost are measured as financial assets at fair value.

5- Significate Accounting Policies (continued)

Financial assets (continued)

B- Financial assets at fair value through the statement of profit or loss (continued):

- Financial assets at fair value through the statement of profit or loss represent investments in equity and debt instruments for trading purposes, and the purpose of keeping them is to generate profits from short-term market price fluctuations or trading profit margin.
- Financial assets are recorded through the statement of profit or loss at fair value upon purchase (acquisition expenses are recorded in the statement of profit or loss upon purchase) and are re-evaluated at the date of the financial statements at fair value, and subsequent changes in the fair value are recorded in the statement of profit or loss at the same time. The year the change occurred, including the change in fair value resulting from translation differences on non-monetary asset items in foreign transactions. Dividends or returns are recorded in the statement of profit or loss when they are realized. (Approved by the General Assembly of Shareholders).

Reclassification

It is permissible to reclassify from financial assets at amortized cost to financial assets at fair value through profit or loss and vice versa only when the Company changes the business approach on the basis of which it classified those assets as mentioned above, taking into account the following:

- It is not permissible to recover any profits, losses or interests that were previously recognized.
- When financial assets are reclassified so that they are measured at fair value, their fair value is determined on the date of reclassification, and any profits or losses resulting from differences between the previously recorded value and the fair value are recorded in the statement of profit or loss.
- When financial assets are reclassified to be measured at amortized cost, they are recorded at their fair value as of the date of reclassification.

C- Financial assets at fair value through the statement of other comprehensive income:

- Upon initial recognition of investments in equity instruments that are not held for the purpose of trading, it is permitted to adopt an irrevocable option to present all changes in the fair value of these investments on an individual basis (each share separately) within the items of other comprehensive income, and it is not possible under any circumstances to In the event that at a later date, the amounts of these changes recognized in other comprehensive income are reclassified to the statement of profit or loss, while the dividends received from these investments are recognized in net investment income, unless these distributions clearly represent a partial recovery of all investments.
- In the event that these assets or part of them are sold, the profits or losses resulting from the sale are transferred from the balance of the accumulated net change in fair value through other comprehensive income to retained profits or losses and not through the statement of profit or loss.

Real estate investments

Real estate investments are shown at cost after subtracting accumulated depreciation (excluding lands). These investments are depreciated over their useful life at a rate of 2%. Any decline in their value is recorded in the statement of profit or loss. The operating revenues or expenses of these investments are also recorded in the statement of profit or loss. loss.

Property and equipment

Property and equipment are stated at cost after deducting accumulated depreciation and any accumulated impairment losses. Property and equipment (except land) are depreciated when they are ready for use on a straight-line basis over their expected life using the following annual percentages. The depreciation expense is recorded in the statement of profit or loss.

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5- Significate Accounting Policies (continued)

Property and equipment (continued)

Asset	Depreciation Rate (%)
Furniture & fixtures	10
Computers	20
Transportation	15
Equipment and tools	15
Electricals	15
Buildings	2
Heating and cooling devices	15
Fire alarm device	15
Elevators	15
Solar energy	4

Depreciation of property and equipment is calculated when these assets are ready for use for their intended use.

The full value of the depreciation expense for the year is shown from the item allocated for that purpose in the statement of profit or loss. When the recoverable amount of any property and equipment is less than its net book value, its value is reduced to the recoverable amount and the impairment value is recorded in the statement of profit or loss.

Property and equipment under construction for the Company's use are stated at cost and after deducting any impairment losses. The useful life of property and equipment is reviewed at the end of each year. If the useful life expectations differ from the previously prepared estimates, the change in estimate is recorded for subsequent years as a change in estimates.

Gains or losses resulting from the exclusion or write-off of any property and equipment, which represent the difference between the amount received from the sale and the book value of the asset, appear in the statement of profit or loss. Property and equipment are eliminated when they are disposed of or when no future benefits are expected from their use.

Intangible assets

- Intangible assets obtained through the merger are recorded at fair value on the date of acquisition. Intangible assets that are acquired through a method other than a merger are recorded at cost.
- Other intangible assets are classified based on estimating their lifespan for a specific year or for specific periods. Intangible assets that have a specific lifespan are amortized during this life and are amortized in the statement of profit or loss.
- As for intangible assets whose useful life is indefinite, the decline in their value is reviewed at the date of the financial statements, and any decline in their value is recorded in the statement of profit or loss.
- Intangible assets generated internally in the Company are not capitalized and are recorded in the statement of profit or loss in the same current year.
- Any indications of impairment of the value of intangible assets at the date of the financial statements are reviewed. The estimate of the chronological life of those assets is also reviewed and any adjustments are made for subsequent periods.

Cash and its equivalent

Cash and cash equivalents represent cash on hand, balances with banks, deposits with banks, and maturities exceeding three months after deducting bank accounts payable and restricted balances.

5- Significant Accounting Policies (continued)

Offsetting

Offsetting is carried out between financial assets and financial liabilities, and the net amount is shown in the statement of financial position only when binding legal rights are available, as well as when they are settled on the basis of offsetting, or the assets are accrued and the liabilities are settled at the same time.

Date of recognition of financial assets

Purchases and sales of financial assets are recognized on the trade date (the date the Company commits to buying or selling the financial assets).

Fair value

The closing prices (buying assets/selling liabilities) on the date of the financial statements in active markets represent the fair value of financial instruments that have market prices.

In the event that announced prices are not available, there is no active trading in some financial instruments, or there is no market activity, their fair value is estimated in several ways, including:

- Comparing it with the current market value of a financial instrument that is very similar to it.
- Analyze future cash flows and discount the expected cash flows by a rate used in a similar financial instrument.
- Options pricing approaches.

Valuation methods aim to obtain a fair value that reflects market expectations. Market factors and any expected risks or benefits are taken into account when estimating the value of financial instruments. In the event that there are financial instruments whose fair value cannot be measured reliably, they are shown at cost after deducting any decline in their value.

Financial liabilities

The Company classifies financial liabilities based on the purpose for which this liability arises. The accounting policy for financial liabilities is as follows:

1- Creditors and liabilities of reinsurance contracts:

Accounts payable and reinsurance payables are initially recognized at fair value and subsequently stated at amortized cost using the effective interest rate method.

2- Creditor banks:

They are initially recognized at fair value, net of costs associated with obtaining the facilities. Such interest-bearing liabilities are subsequently carried at amortized cost using the effective interest rate method. The financing cost includes the initial costs and the premium paid upon settlement, in addition to the interest that accrues during the life of the obligation.

3- Allocations:

Provisions are recognized when the Company has obligations at the date of the financial statements arising from past events, and the settlement of the obligations is probable and their value can be measured reliably. The amounts recognized as provisions represent the best estimate of the amounts required to settle the obligation as of the date of the financial statements, taking into account the risks and uncertainty associated with commitment. When the value of the provision is determined on the basis of the estimated cash flows to settle the current obligation, its book value represents the present value of these cash flows.

When it is expected that some or all of the economic benefits required from other parties will be recovered to settle a provision, the receivable is recognized as an asset if the actual receipt of compensation is certain and its value can be measured reliably.

5- Significate Accounting Policies (continued)

4- End of service benefits provision:

The provision for employees' end-of-service benefits calculated in accordance with the Company's policy, which is consistent with the Jordanian Labor Law.

The annual benefits incurred for employees who leave the service is recorded at the expense of the end-of-service benefits provision when paid, and the provision for the obligations incurred by the Company for the end-of-service benefits for employees is taken in the statement of profit or loss.

Foreign currency

- Transactions that occur in foreign currencies during the current year are recorded at the exchange rates prevailing on the date of the transactions.
- The balances of financial assets and financial liabilities are translated at the average foreign currency rates prevailing on the date of the statement of financial position and announced by the Central Bank of Jordan.
- Non-financial assets and non-financial liabilities denominated in foreign currencies and shown at fair value are translated on the date their fair value is determined.
- Gains and losses resulting from foreign currency translation are recorded in the statement of profit or loss.
- Translation differences for items of assets and liabilities denominated in non-monetary foreign currencies are recorded as part of the change in fair value.
- When consolidating the financial statements, the assets and liabilities of branches and subsidiaries abroad are translated from the average currency rates on the date of the financial statements, the main (base) currency, to the reporting currency according to that announced by the Central Bank of Jordan. As for the revenue and expense items, they are translated on the basis of the average price during the year, and the resulting currency differences appear in a separate item within equity. In the event that one of these companies or branches is sold, the amount of foreign currency translation differences related to it will be recorded within the revenues/expenses in the statement of profit or loss.

Treasury stocks

Treasury shares are stated at cost. These shares do not have any right to dividends distributed to shareholders, and do not have the right to participate. Or voting in the Company's general assembly meetings. The profits or losses resulting from the sale of treasury shares are not recognized in the profit or loss statement. Rather, the profit is shown in equity under the share issue premium item, while the loss is recorded in retained earnings in the event that the stock issue premium balance is exhausted.

Costs of issuing or purchasing insurance Company shares

Any costs resulting from the issuance or purchase of insurance Company shares are recorded in retained earnings (net after the tax impact of these costs). If the issuance or purchase process does not take place, these costs are recorded as expenses in the statement of profits or losses.

Realize revenue

1- Dividend and interest income:

Dividend income from investments is verified when the right of shareholders to receive dividend payments is established upon approval by the General Assembly of Shareholders. Interest income is calculated according to the accrual basis based on the time periods due, the original amounts and the interest rate earned.

2- Rental income:

Rental income from real estate investments under operating lease contracts is recognized on a straight-line basis over the term of those contracts and on an accrual basis.

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5- Significate Accounting Policies (continued)

Insurance contract expenses

The Company distributes general administrative expenses and direct employee expenses to the insurance portfolios related to insurance contracts over groups of insurance contracts and includes them in calculating the profitability of the contract by distributing the direct expenses to each portfolio.

separately and adding the value of the undistributed expenses in proportion to the total portfolio production divided by the Company's total production. While administrative and general expenses and indirect employee expenses not related to insurance contracts are charged to the statement of profit or loss.

Acquisition costs

The acquisition costs incurred by the Company in exchange for selling, subscribing, or starting new insurance contracts represent acquisition costs, as the Company recognizes all acquisition costs directly when the insurance contract is recognized in the statement of profit or loss, while the Company recognizes acquisition costs by amortizing the costs incurred over a period of time. Coverage of the insurance contract in the statement of financial position. When applying the premium allocation approach, the Company may elect to recognize any insurance acquisition cash flows as expenses when those costs are incurred, provided that the coverage period for each contract in the group at initial recognition does not exceed one year. The Company has chosen the aforementioned exception only for commission expenses.

Insurance contracts with expected loss

The Company recognizes insurance contracts as loss-expected contracts if the contract is expected to be lost on the date of initial recognition. The loss component is measured by comparing the cash flows expected to meet the obligations of the contract or group of contracts with the cash flows generated from this contract or group of contracts. The Company has disclosed the loss component if the value of the contractual service margin is zero (applies only to the general measurement approach and the variable cost approach).

6- Deposits at Banks

This item consists of the following:

	2023				2022
	Deposits due within a month	Deposits due from 1 to 3 months	Deposits due from 3 months to 1 year	Total	Total
Deposits inside Jordan	4,800,000	-	8,300,000	13,100,000	11,100,000
Less:					
Expected credit loss provision	-	-	10,900	10,900	10,900
Deposits at Banks, Net	4,800,000	-	8,289,100	13,089,100	11,089,100

- Interest rates on bank deposits balances in Jordanian Dinar ranges from 5.75% to 6.9% during the year ended December 31,2023, and on US Dollars deposits 1.75%.

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6- Deposits at Banks (continued)

The following is the distribution of the Company's deposits at banks:

	2023	2022
Investment Bank	3,500,000	3,100,000
Cairo Amman Bank	-	2,000,000
Capital Bank of Jordan	2,400,000	2,000,000
Arab Jordan Investment Bank	-	2,000,000
Jordan Kuwait Bank	-	2,000,000
Al- Ahli Bank	2,400,000	-
Bank al Etihad	2,400,000	-
Jordan Commercial Bank	2,400,000	-
	13,100,000	11,100,000

The following is a summary of the movement in the provision for expected credit losses for the balance of deposits with banks:

	2023	2022
Balance at the beginning of the year	10,900	10,082
Provision during the year	-	818
Balance at the end of the year	10,900	10,900

7- Financial Assets at Fair Value through Profit or Loss Statement

	2023	2022
<u>Inside Jordan</u>		
Shares listed on the Amman Stock Exchange	165,910	108,247
Sub-total	165,910	108,247

8- Financial Assets at Fair Value through Other Comprehensive Income

	2023	2022
<u>Inside Jordan</u>		
Shares listed on the Amman Stock Exchange	5,610,943	5,484,533
Shares un-listed on the Amman Stock Exchange	10,180	6,477
Sub-total	5,621,123	5,491,010
<u>Outside Jordan</u>		
Arabian Reinsurance Company - Lebanon	210,528	201,400
Sub-total	210,528	201,400
Total	5,831,651	5,692,410

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9- Financial Assets at Amortized Cost

	2023	2022
<u>Inside Jordan</u>		
Government bonds or their guarantee	3,674,000	3,174,000
Less: expected credit losses provision	(75,999)	(48,999)
Sub-total	3,598,001	3,125,001
<u>Outside Jordan</u>		
Government bonds or their guarantee	426,000	426,000
Less: expected credit losses provision	(4,000)	(4,000)
Sub-total	422,000	422,000
Total	4,020,001	3,547,001

The following is a summary of the movement in the provision for expected credit losses for the balance of financial assets at amortized cost:

	2023	2022
Balance at the beginning of the year	52,999	52,999
Increase during the year	27,000	-
Balance at the end of the year	79,999	52,999

10- Investment Properties

	2023	2022
Buildings	5,081,252	5,081,252
Less: accumulated depreciation	966,564	882,651
Less: Depreciation of the year	87,362	83,916
Buildings, net	4,027,326	4,114,685
Land	723,272	723,272
Provision for impairment of fair value	-	-
Total	4,750,598	4,837,957

- Investment buildings are depreciated at 2% annually and appears at net book value.

11- Cash on Hand and at Banks

	2023	2022
Cash on hand	1,090	4,606
Cash at banks	932,480	891,816
	933,570	896,422

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12- Receivables Related to Insurance Operations*

	2023	2022
The total value of receivables related to insurance operations	12,705,398	10,109,305
Less: allowance for expected credit losses provision	(2,404,644)	(2,071,668)
Net value of receivables related to insurance operations	10,300,754	8,037,637

*Details of receivables related to insurance operations, which were taken into account in calculating the included assets/liabilities, are disclosed in note 13

	2023	2022
Payable during 0-30 days	6,630,111	4,548,086
Payable during 31-90 days	1,767,191	1,376,425
Payable during 91-180 days	1,413,027	1,929,841
Payable during 181-365 days	766,035	394,899
Payable during for more than a year	2,129,034	1,860,054
Total	12,705,398	10,109,305

Cheques under collection*:

	2023	2022
The total value of Cheques under collection related to insurance operations	1,962,986	2,250,563
Less: allowance for expected credit losses provision	(6,845)	(6,755)
Net value of Cheques under collection related to insurance operations	1,956,141	2,243,808

*Details of cheques under collection related to insurance operations, which were taken into account in calculating the included assets/liabilities, are disclosed in note 13

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12- Receivables Related to Insurance Operations (continued)

Analysis of cheques under collection according to their time period:

	2023	2022
Payable during 0-6 months	1,330,534	1,183,470
Payable during 6-12 months	572,328	883,631
Payable during for more than 12 months	60,124	183,462
Total	1,962,986	2,250,563

Receivables Related to Insurance Operations (By Type)

	2023	2022
Receivables from insurance contract holders	7,706,010	6,056,335
Agents' receivables	949,078	875,373
Brokers' receivables	2,045,488	1,709,414
Companies' receivables	407,447	-
Cases receivables	1,460,749	1,386,010
Other receivables*	136,627	82,173
Total receivables	12,705,399	10,109,305
Less: allowance for expected credit losses provision	(2,404,644)	(2,071,668)
Total receivables	10,300,754	8,037,637

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13- (Liabilities)/ Assets Insurance Contracts (Premium Allocation Approach)

	Liabilities for remaining coverage				Liabilities for Incurred Claims				Total	
	2023	2023	2022	2022	2023	2022	2023	2022	2023	2022
	Excluding the loss component	Loss component	Excluding the loss component	Loss component	Present value of cashflow	Present value of cashflow	Risk adjustments- non financial	Risk adjustments- non financial	Total	Total
Insurance contracts liabilities-beginning	4,193,022	498,886	2,680,833	456,936	14,005,616	13,680,585	924,344	866,103	19,621,868	17,684,457
Insurance contracts assets-beginning	(2,522,176)	71,002	(1,806,905)	67,077	1,483,272	1,184,379	81,335	51,961	(886,567)	(503,489)
Net insurance contracts (liabilities)/Assets - beginning	1,670,846	569,888	873,928	524,013	15,488,888	14,864,964	1,005,679	918,064	18,735,300	17,180,968
Insurance contracts revenues	(28,415,713)	-	(26,162,555)	-	-	-	-	-	(28,415,713)	(26,162,555)
Claims incurred	-	-	-	-	19,099,923	18,161,740	(55,959)	87,615	19,043,963	18,249,355
Acquisition cost	810,628	-	895,159	-	-	-	-	-	810,628	895,159
Employees cost	-	-	-	-	1,684,814	1,552,925	-	-	1,684,814	1,552,925
Administrative cost	-	-	-	-	1,030,244	914,670	-	-	1,030,244	914,670
Changes related to previous service- Adjustments on LFIC	-	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	(52,147)	-	-	-	(52,147)	-
Losses resulting from contracts expected to be lost and the recovery of these losses		188,972	-	45,875	-	-	-	-	188,972	45,875
Insurance contracts expenses	810,628	188,972	895,159	45,875	21,762,834	20,629,335	(55,959)	87,615	22,706,474	21,657,984
Insurance service results	(27,605,085)	188,972	(25,267,396)	45,875	21,762,834	20,629,335	(55,959)	87,615	(5,709,239)	(4,504,571)
Finance costs - from insurance contracts	-	-	-	-	53,351	(30,509)	-	-	53,351	(30,509)
The effect of movements in exchange rates	-	-	-	-	-	-	-	-	-	-
Investment components	-	-	-	-	-	-	-	-	-	-
Net change - other comprehensive income	(27,605,085)		(25,267,396)	45,875	21,816,185	20,598,825	(55,959)	87,615	(5,655,887)	(4,535,080)
Cash received from written contracts	28,410,309	-	26,990,900	-	-	-	-	-	28,410,309	26,990,900
Claims incurred	-	-	-	-	(21,530,469)	(19,974,901)	-	-	(21,350,469)	(19,974,901)
Paid from acquisition costs	(966,126)	-	(926,586)	-	-	-	-	-	(966,126)	(926,586)
Other expenses	-	-	-	-	-	-	-	-	-	-
Total cashflows	27,444,183	-	26,064,314	-	(21,530,469)	(19,974,901)	-	-	5,913,714	6,089,413
Insurance contracts liabilities-Ending	4,453,940	485,141	4,193,022	498,886	14,703,143	14,005,616	937,196	924,344	20,579,420	19,621,868
Insurance contracts assets-Ending	(2,943,997)	273,719	(2,522,176)	71,002	1,071,462	1,483,272	12,524	81,335	(1,586,293)	(886,567)
Net insurance contracts (liabilities)/Assets - Ending	1,509,943	758,860	1,670,846	569,888	15,774,605	15,488,888	949,720	1,005,679	18,993,127	18,735,301

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13- (Liabilities)/ Assets Reinsurance Contracts Held (Premium Allocation Approach)

	Liabilities for remaining coverage				Liabilities for Incurred Claims				Total	
	2023	2023	2022	2022	2023	2022	2023	2022	2023	2022
	Excluding loss recovery. component	Loss recovery component	Excluding loss recovery. component	Loss recovery component	Present value of cashflow	Present value of cashflow	Risk adjustments- non financial	Risk adjustments- non financial	Total	Total
Insurance contracts liabilities- beginning	(483,384)	-	(556,275)	-	294,729	326,704	40,188	23,223	(148,467)	(206,348)
Insurance contracts assets-beginning	(402,714)	-	(77,658)	-	4,157,277	3,523,931	155,668	172,500	3,910,231	3,618,772
Net reinsurance contracts liabilities/(Assets) - beginning	(886,098)	-	(633,933)	-	4,452,006	3,850,635	195,856	195,723	3,761,764	3,412,425
Reinsurance payments	(8,031,885)	-	(8,733,158)	-	-	-	-	-	(8,031,885)	(8,733,158)
Reinsurance recoveries	-	-	-	-	3,084,987	4,731,149	106,349	132	3,191,337	4,731,281
Commissions received	548,348	-	504,756	-	-	-	-	-	548,348	504,756
Reinsurance contracts revenues	548,348	-	504,756	-	3,084,987	4,731,149	106,349	132	3,739,684	5,236,037
Reinsurance service contracts results	(7,483,537)	-	(8,228,402)	-	3,084,987	4,731,149	106,349	132	(4,292,200)	(3,497,121)
Finance cost - from reinsurance contracts	-	-	-	-	(85,706)	21,378	-	-	(85,706)	21,378
The effect of movements in exchange rates	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-	-	-
Net change - other comprehensive income	(7,483,536)	-	(8,228,402)	-	2,999,281	4,752,527	106,349	132	(4,377,906)	(3,475,743)
Cash received from written contracts paid to reinsurers	8,461,237	-	7,976,236	-	-	-	-	-	8,461,237	7,976,236
Incurred claims recovered from reinsurers	-	-	-	-	(4,469,528)	(4,151,154)	-	-	(4,469,528)	(4,151,154)
Other recovered amounts	-	-	-	-	-	-	-	-	-	-
Recovered profit commission from reinsurers	-	-	-	-	-	-	-	-	-	-
Total cashflows	8,461,237	-	7,976,236	-	(4,469,528)	(4,151,154)	-	-	3,991,709	3,825,082
Reinsurance contracts liabilities- Ending	-	-	(483,384)	-	-	294,729	-	40,188	-	(148,467)
Reinsurance contracts assets-Ending	91,602	-	(402,714)	-	2,981,760	4,157,277	302,204	155,668	3,375,566	3,910,231
Net reinsurance contracts liabilities/(Assets) - Ending	91,602	-	(886,098)	-	2,981,760	4,452,006	302,204	195,856	3,375,566	3,761,764

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14- Income Tax

A- Provision for Income Tax:

The movement on the income tax provision during the year is as follows:

	2023	2022
Balance at beginning of the year	348,912	260,747
Income tax paid	(408,632)	(341,144)
Income tax expense for the year	629,752	416,446
Bank interest tax	(46,435)	(21,513)
National contribution fees	56,487	39,404
National contribution tax on bank interest	(10,015)	(4,818)
Provision for income tax – prior years	-	(210)
Balance at the end of the year	570,069	348,912

B- In terms of the income tax presented in the statement of profit or loss, it includes the following:

	2023	2022
Accrued income tax for profit of the year	629,752	416,446
Deferred tax assets/ liabilities amortization	(32,202)	(43,488)
Balance at the end of the year	597,550	372,958

- A final settlement was reached with the Income Tax Department for the year 2020.
- The self-assessment statement for the years 2021 and 2022 was submitted to the Income and Sales Tax Department within the specified period and is still under review.
- The income tax provision for the year 2023 was calculated by the Company's tax consultant.

C - Summary of reconciliation of accounting profit with tax profit:

	2023	2022
Accounting profit	2,039,445	1,752,362
Non-taxable profits	(1,900,706)	(1,797,033)
Expenses that are not tax acceptable	1,801,175	1,745,850
Profits from foreign investments	256,462	256,725
Tax profit	2,196,376	1,957,904
Actual income tax rate	%23,28	%23,28
Statutory income tax rate	%26,00	%26,00

Deferred Tax Assets/Liabilities

	2023			2022		
	Beginning Balance	Reversal	Additions	Ending Balance	Deferred Tax	Deferred Tax
A- Deferred tax assets:						
Expected credit loss provision	2,313,007	-	143,089	2,456,096	638,585	601,381
Provision for end of service benefits	59,873	89,141	42,901	13,633	3,544	15,570
Financial assets evaluation reserve	153,766	139,241	-	14,525	3,777	39,977
Applying IFRS 9 on bank deposits and cheques under collection	20,988	-	27,000	47,988	12,477	5,457
	2,547,634	228,382	212,990	2,532,242	658,383	662,385

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14- Income Tax (continued)

Differed Tax Assets/Liabilities (continued)

	2023					2022
	<u>Beginning Balance</u>	<u>Reversal</u>	<u>Additions</u>	<u>Ending Balance</u>	<u>Deferred Tax</u>	<u>Deferred Tax</u>
B- Deferred tax liabilities:						
Applying IFRS 9 on the portfolio of financial assets at fair value through other comprehensive income	111,934	-	-	111,934	26,864	26,864
Financial assets evaluation reserve	-	-	-	-	-	-
	<u>111,934</u>	<u>-</u>	<u>-</u>	<u>111,934</u>	<u>26,864</u>	<u>26,864</u>

Movement on deferred tax assets and liabilities is as follows:

	<u>Liabilities</u>		<u>Assets</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Balance at the beginning of the year	662,385	687,298	26,864	26,864
Additions	94,045	43,487	-	-
Disposals	(98,047)	(68,400)	-	-
Balance at the end of the year	<u>658,383</u>	<u>662,385</u>	<u>26,864</u>	<u>26,864</u>

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15- Property and Equipment

	Furniture and Internal fixture	Computer devices	Vehicles	Machines and equipment	Electronics devices	Buildings	Heating and cooling devices	Fire Alarm	Elevators	Total
<u>Cost</u>										
Balance as of December 31, 2022	261,944	196,051	227,964	9,843	64,394	5,203,624	347,443	29,601	286,365	6,627,229
Additions	-	13,539	47,100	-	3,768	-	1,199	-	-	65,606
Disposals	-	-	(32,171)	-	-	-	-	-	-	(32,171)
Balance As of December 31, 2023	<u>261,944</u>	<u>209,590</u>	<u>242,893</u>	<u>9,843</u>	<u>68,162</u>	<u>5,203,624</u>	<u>348,642</u>	<u>29,601</u>	<u>286,365</u>	<u>6,660,664</u>
<u>Accumulated depreciation</u>										
Balance as of December 31, 2022	208,991	186,024	167,342	7,674	46,724	777,987	346,096	23,514	286,361	2,050,713
Charge for the year	20,439	5,157	26,225	1,476	3,073	106,740	1,197	3,040	-	167,347
Disposals	-	-	(21,990)	-	-	-	-	-	-	(21,990)
Balance As of December 31, 2023	<u>229,430</u>	<u>191,181</u>	<u>171,577</u>	<u>9,150</u>	<u>49,797</u>	<u>884,727</u>	<u>347,293</u>	<u>26,554</u>	<u>286,361</u>	<u>2,196,070</u>
Net Book value:										
Balance As of December 31, 2023	<u>32,514</u>	<u>18,409</u>	<u>71,316</u>	<u>693</u>	<u>18,365</u>	<u>4,318,897</u>	<u>1,349</u>	<u>3,047</u>	<u>4</u>	<u>4,464,592</u>
Balance as of December 31, 2022	<u>52,953</u>	<u>10,027</u>	<u>60,622</u>	<u>2,169</u>	<u>17,670</u>	<u>4,425,637</u>	<u>1,347</u>	<u>6,087</u>	<u>4</u>	<u>4,576,516</u>

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16- Intangible Assets

	2023	2022
	Computer Systems & Software	Computer Systems & Software
Balance at the beginning of the year	296,859	296,859
Additions	10,000	-
Amortizations	287,579	281,221
Impairment within year	3,928	6,359
Balance at the end of the year	15,352	9,280

17- Other Assets

A- Other Assets

	2023	2022
Accrued and unreceived revenues	331,835	267,123
Prepaid expenses	18,768	10,728
Refundable deposits	3,426	3,426
Withholding sales tax	-	708,738
	354,029	990,015

B- Receivables Not Related to Insurance Operations

	2023	2022
Receivables from insurance contract holders	11,235	29,992
Agents' receivables	-	-
Brokers' receivables	504	-
Employee	36,079	30,646
Other receivables	118,214	219,823
Total receivables	166,031	280,461
Less: allowance for expected credit losses provision	(31,428)	(151,299)
Total receivables	134,603	129,162

The movement on the allowance for expected credit losses provision is as follows:

	2023	2022
Balance at the beginning of the year	151,299	228,786
Additions	(119,871)	(77,487)
Disposals	-	-
Balance at the end of the year	31,428	151,299

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17- Other Assets (continued)

C- Cheques under collection not related to insurance operations

	2023	2022
The total value of Cheques under collection not related to insurance operations	151,559	111,082
Less: allowance for expected credit losses provision	(243)	(334)
	151,316	110,748
Net value of Cheques under collection not related to insurance operations	639,948	1,229,925

18- Different Provisions

	2023	2022
Provision for central bank of Jordan fees	31,466	26,085
Provision for end of service benefits	13,644	59,884
Provision for reward	136,626	161,522
	181,736	247,491

The following table shows the movement in the other provisions:

	Beginning balance	Additions during the year	Used during the year	Returned revenues	Ending balance
Provision for central bank of Jordan fees	26,085	128,533	123,152	-	31,466
Provision for end of service benefits	59,884	42,901	89,141	-	13,644
Provision for reward	161,522	160,222	185,118	-	136,626
	247,491	331,656	397,411	-	181,736

19- Other Liabilities

	2023	2022
Accrued expenses and unpaid	-	-
Revenues received in advance	68,565	72,354
Reward of Board Members	43,375	37,750
Withholding sales tax	20,076	-
Other	372,437	321,302
	504,453	431,406

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20- Share Capital

The capital at the end of the year amounted to JD 8,000,000, divided into 8,000,000 shares, with a nominal value of one dinar per share(Last year 8,000,000 shares, with a nominal value of one dinar per share).

21- Statutory Reserve

The statutory reserve is formed in accordance with the provisions of the Jordanian Companies Law by deducting 10% of the annual net profit. The deduction stops when the accumulated reserve balance reaches 25% of the Company's authorized capital. However, it is permissible, with the approval of the Company's general assembly, to continue deducting this percentage until it reaches the balance of this reserve is equivalent to the amount of the Company's authorized capital.

The amounts accumulated in this account represent the transferred annual profit before taxes at a rate of 10 during the year and previous years in accordance with the Companies Law, and it is not distributable to shareholders.

22- Accounts Receivable (Reinsurance Contracts Held)

	2023	2022
Assets reinsurance contracts held (Internal)	-	837,165
Assets reinsurance contracts held (External)	608,758	564,276
Total accounts receivable value related to insurance operations	608,758	1,401,441
Less: Expected credit losses provision	(11,322)	(81,672)
Net accounts receivable value related to insurance operations	597,434	1,319,770

Analysis of accounts receivable according to their time period:

	2023	2022
Payable during 0-30 days	149,444	801,452
Payable during 31-90 days	21,611	89,917
Payable during 91-180 days	42,478	88,489
Payable during 181-365 days	23,677	29,292
Payable during for more than one year	371,548	392,291
Total	608,758	1,401,441

23- Accounts Payable (Reinsurance Contracts Held)

	2023	2022
Assets reinsurance contracts held (Internal)	-	-
Assets reinsurance contracts held (External)	2,618,127	3,141,549
Total accounts payable value related to insurance operations	2,618,127	3,141,549

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24- Fair Value Reserve

This amount represents the increase in the fair value of financial assets at fair value through other comprehensive income and is stated as follows:

	2023	2022
Balance at the beginning of the year	(113,778)	(308,460)
Change during the year	103,034	194,682
Balance at the ending of the year	(10,744)	(113,778)

25- Retained earnings

	2023	2022
Balance at the beginning of the year	6,693,307	6,783,902
The impact of the implementation of (IFRS 17)	-	(484,876)
Adjusted balance	6,693,307	6,299,026
Net profit for the year	1,744,354	1,194,281
Dividends	(800,000)	(800,000)
Balance at the ending of the year	7,637,660	6,693,307

26- Related Parties Transactions

The Company entered into transactions with members of the Board of Directors and senior management within the normal activities of the Company and using insurance premiums and commercial commissions. All receivables from related parties are considered working and no allocations have been taken for them as of December 31 2023.

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26- Related Parties Transactions (continued)

The following is a summary of transactions with related parties during the year:

	2023			2022
	Major shareholders	Members of the Board of Directors	Total	Total
<u>Items of financial position statement</u>				
Insurance contract assets	-	1,252,551	1,252,551	1,449,752
Insurance contract liabilities	-	89,880	89,880	60,527
<u>Items of profit or loss statement</u>				
Insurance revenues	-	176,839	176,839	765,304
Travel and transportation expenses for members of the Board of Directors	-	40,000	40,000	30,000
Rewards and consultations	-	34,375	34,375	30,000
Consulting fees	-	-	-	-
Acquisition cost paid	-	-	-	-

The company has entered into transactions with the members of the Board of Directors and senior management within the normal activities of the company and using insurance premiums and commercial commissions, that all related party receivables are considered active and no provisions have been taken for them as at 31 December 2023.

The following is a summary of the benefits (salaries, bonuses, and other benefits) of the Company's senior executive management:

	2023	2022
Salaries and rewards	946,533	785,803
Travel expenses	40,000	35,625
	986,533	821,428

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27- Insurance Contracts Revenue

2023	Vehicles- Comprehensive	Vehicles- Third party liability	Vehicles- Pool	Medical	Life	Fire and General Insurance	Engineering	Public liabilities	Other	Marine	Total
Insurance contracts revenue	3,824,363	8,395,507	2,652,429	8,443,161	345,908	2,458,108	166,618	277,689	311,346	379,706	27,254,835
Change in insurance contracts liabilities against remaining coverage	-	-	-	-	-	-	-	-	-	-	-
Insurance contracts issuance fees	225,937	365,235	6	283,003	8,302	92,019	8,221	12,437	8,543	14,870	1,018,572
Allocating a portion of premiums related to cash flow recovery to the acquisition of insurance	-	-	-	-	-	-	-	-	-	-	-
Other income	33,567	-	-	-	5,172	11,129	-	-	-	-	49,868
Revenue from contracts outside Standard 17	2,109	-	-	79,975	6,667	3,221	-	-	465	-	92,438
Total insurance contracts revenue	4,085,976	8,760,742	2,652,435	8,806,139	366,049	2,564,477	174,839	290,126	320,355	394,576	28,415,713

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27- Insurance Contracts Revenue (continued)

2022	Vehicles- Comprehensive	Vehicles- Third party liability	Vehicles- Pool	Medical	Life	Fire and General Insurance	Engineering	Public liabilities	Other	Marine	Total
Insurance contracts revenue	3,744,842	6,459,551	2,013,841	9,190,093	338,002	2,299,586	127,176	284,616	373,930	358,688	25,190,326
Change in insurance contracts liabilities against remaining coverage	-	-	-	-	-	-	-	-	-	-	-
Insurance contracts issuance fees	222,334	309,904	-	271,819	7,925	88,258	6,088	12,077	7,680	13,166	939,252
Allocating a portion of premiums related to cash flow recovery to the acquisition of insurance	-	-	-	-	-	-	-	-	-	-	-
Other income	17,005	-	-	-	13,991	1,981	-	-	-	-	32,978
Revenue from contracts outside Standard 17	-	-	-	-	-	-	-	-	-	-	-
Total insurance contracts revenue	3,984,182	6,769,454	2,013,841	9,461,912	359,919	2,389,825	133,265	296,693	381,610	371,854	26,162,55

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28- Insurance Contracts Expenses

2023	Vehicle- Comprehensive	Vehicle- Third party	Vehicle- Pool	Medical	Life	Fire and General Insurance	Engineering	Public liabilities	Other	Marine	Total
Insurance claims incurred	2,589,407	8,092,282	282,593	8,280,126	126,946	(415,878)	34,428	8,042	2,491	99,486	19,099,923
Amortization of acquisition	414,848	136,013	-	113,445	3,949	89,771	21,662	20,934	5,619	4,387	810,628
Employee's expenses	485,785	315,551	93,744	497,997	13,121	187,071	6,285	10,419	11,555	63,284	1,684,814
Administrative expenses	143,109	309,624	73,576	379,063	11,040	78,055	4,313	7,984	11,299	12,180	1,030,244
Loss of contracts expected to be lost	-	-	-	202,717	-	-	-	-	-	-	202,717
Recovery of lost contracts expected to be lost	-	13,746	-	-	-	-	-	-	-	-	(13,746)
Risk Adjustments - Other Finance	-	-	-	-	16,056	130,663	-	3,645	-	-	150,363
The summary of risk adjustments - non-financial	11,453	113,231	20,571	39,836	-	-	10,402	-	9,562	1,269	(206,323)
Accident exemptions	-	-	-	-	-	-	-	-	-	-	-
Undistributed expenses	25,436	39,516	-	-	5,141	-	2,552	-	271	(1)	72,914
Recoveries from undistributed expenses	-	-	4,637	105,351	-	6,622	-	639	-	7,812	(125,061)
Transferred from acquisition costs/ acquisition costs (according to the Company's method of recognition)	-	-	-	-	-	-	-	-	-	-	-
Total insurance contracts expenses	3,647,133	8,766,010	424,706	9,328,162	176,253	63,060	58,838	50,384	21,674	170,255	22,706,474

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28- Insurance Contract Expenses (continued)

2022	Vehicle- Comprehensive	Vehicle- Third party	Vehicle- Pool	Medical	Life	Fire and General Insurance	Engineering	Public liabilities	Other	Marine	Total
Insurance claims incurred	2,743,886	4,970,965	1,013,154	8,903,717	178,646	341,993	18,036	(29,778)	25,281	(4,158)	18,161,740
Amortization of acquisition	412,858	236,401	-	86,074	3,973	87,117	14,311	20,193	25,892	8,341	895,159
Employee's expenses	444,370	247,338	82,955	517,876	13,022	155,775	4,866	10,884	14,312	61,528	1,552,925
Administrative expenses	117,257	268,958	55,058	370,452	11,590	70,164	3,331	1,341	10,968	5,551	914,670
Loss of contracts expected to be lost	-	41,950	-	3,925	-	-	-	-	-	-	45,875
Recovery of lost contracts expected to be lost	-	-	-	-	-	-	-	-	-	-	-
Risk Adjustments - Other Finance	2,747	84,197	-	398	341	451	80	-	159	-	88,374
The summary of risk adjustments - non-financial	-	-	-	-	-	-	-	373	-	386	759
Accident exemptions	-	-	-	-	-	-	-	-	-	-	-
Undistributed expenses	-	-	-	-	-	-	-	-	-	-	-
Recoveries from undistributed expenses	-	-	-	-	-	-	-	-	-	-	-
Transferred from acquisition costs/ acquisition costs (according to the Company's method of recognition)	-	-	-	-	-	-	-	-	-	-	-
Total insurance contracts expenses	3,721,118	5,849,809	1,151,166	9,882,441	207,572	655,499	40,624	2,267	76,613	70,875	21,657,984

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29- Reinsurance Contracts Revenue

2023	Vehicles- Comprehensive	Vehicles- Third party liability	Vehicles- Pool	Medical	Life	Fire and General Insurance	Engineering	Public liabilities	Other	Marine	Total
Reinsurance claims	(97,616)	194,545	47,924	3,126,928	107,239	(426,451)	31,646	114	2,394	98,266	3,084,987
Commissions received	-	6,345	-	2,444	-	287,118	43,828	25,846	33,722	149,046	548,348
The reinsurer share of the loss of	-	-	-	-	-	-	-	-	-	-	-
Recovered from the reinsurer share of the loss of overburdened	-	-	-	-	-	-	-	-	-	-	-
The reinsurer share of risk adjustments - non- Deductible from the reinsurer share of risk adjustments - non- financial	1,016	-	29,335	-	11,081	105,520	-	1,570	-	-	148,521
Transferred from the reinsurer share of acquisition cost/acquisition cost (according to the	-	17	-	23,999	-	-	8,494	-	8,202	1,459	42,172
	-	-	-	-	-	-	-	-	-	-	-
Total reinsurance contracts revenue	(96,600)	200,872	77,259	3,105,373	118,320	(33,813)	66,979	27,529	27,913	245,853	3,739,685

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29- Reinsurance Contracts Revenue (continued)

2022	Vehicles- Comprehensive	Vehicles- Third party liability	Vehicles- Pool	Medical	Life	Fire and General Insurance	Engineering	Public liabilities	Other	Marine	Total
Reinsurance claims	73,197	(36,208)	(108,994)	4,333,376	140,868	322,444	12,588	(26,511)	19,396	993	4,731,149
Commissions received	169	5,909	-	14,390	-	263,381	33,194	14,718	27,076	145,918	504,756
The reinsurer share of the loss of overburdened	-	-	-	-	-	-	-	-	-	-	-
Recovered from the reinsurer share of the loss of overburdened	-	-	-	-	-	-	-	-	-	-	-
The reinsurer share of risk adjustments - non-	119	38	-	(178)	244	340	59	(323)	120	(288)	132
Deductible from the reinsurer share of risk adjustments - non-	-	-	-	-	-	-	-	-	-	-	-
financial	-	-	-	-	-	-	-	-	-	-	-
Transferred from the reinsurer share of acquisition	-	-	-	-	-	-	-	-	-	-	-
cost/acquisition cost (according to the	-	-	-	-	-	-	-	-	-	-	-
Total reinsurance contracts revenue	73,485	(30,261)	(108,994)	4,347,589	141,113	586,165	45,842	(12,116)	46,592	146,623	5,236,035

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30- Reinsurance Contracts Expenses

2023	Vehicles- Comprehensive	Vehicles- Third party liability	Vehicles- Pool	Medical	Life	Fire and General Insurance	Engineering	Public liabilities	Other	Marine	Total
Reinsurance contract	179,563	120,148	1,025,843	3,184,529	245,172	2,255,868	132,218	177,480	272,950	325,201	7,918,972
Change in reinsurance contract liabilities against remaining coverage	-	-	-	-	-	-	-	-	-	-	-
Loss surplus premiums	67,913	-	-	-	-	45,000	-	-	-	-	112,913
Total reinsurance contracts revenue	247,475	120,148	1,025,843	3,184,529	245,172	2,300,868	132,218	177,480	272,950	325,201	8,031,885

2022	Vehicles- Comprehensive	Vehicles- Third party liability	Vehicles- Pool	Medical	Life	Fire and General Insurance	Engineering	Public liabilities	Other	Marine	Total
Reinsurance contract	148,320	248,964	906,077	4,184,536	239,387	2,130,250	100,357	178,589	292,547	304,130	8,733,158
Change in reinsurance contract liabilities against remaining	-	-	-	-	-	-	-	-	-	-	-
Loss surplus premiums	-	-	-	-	-	-	-	-	-	-	-
Total reinsurance contracts revenue	148,320	248,964	906,077	4,184,536	239,387	2,130,250	100,357	178,589	292,547	304,130	8,733,158

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31- Financing Revenues/(Expenses) – Insurance Contracts

	2023	2022
Financing revenues/ (expenses) – Insurance contracts	<u>(53,351)</u>	<u>30,509</u>
	<u>(53,351)</u>	<u>30,509</u>

32- Financing Revenues/(Expenses) – Reinsurance Contracts

	2023	2022
Financing revenues/(expenses)– Reinsurance contracts	<u>(85,706)</u>	<u>21,378</u>
	<u>(85,706)</u>	<u>21,378</u>

33- Interest Income

	2023	2022
Bank Interest	<u>728,063</u>	<u>444,469</u>
Interest on investments in financial assets at amortized cost	<u>255,955</u>	<u>256,271</u>
	<u>984,018</u>	<u>700,740</u>

34- Net Profit/ (Loss) of Financial Assets and Investments

	2023	2022
Rental income	<u>154,741</u>	<u>65,296</u>
Cash dividend returns (through other comprehensive income statement)	<u>300,281</u>	<u>276,060</u>
Cash dividend returns (through profit or loss statement)	<u>732</u>	<u>-</u>
Net change in the fair value of financial assets through profit or loss statement	<u>57,663</u>	<u>(17,075)</u>
	<u>513,417</u>	<u>324,280</u>

35- Other Income

This amount represents the fair value of the financial assets through other comprehensive income and is stated as follows:

	2023	2022
Profit from the sale of fixed assets	<u>14,069</u>	<u>(1,278)</u>
Cheque issuance service allowance	<u>21,561</u>	<u>18,453</u>
Others	<u>17,633</u>	<u>842</u>
	<u>53,263</u>	<u>18,017</u>

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36- Other Expenses

	2023					2022				
	Acquisition expenses	Attributable expenses For contracts (direct)	Attributable expenses For contracts (indirect)	Non- attributed expense to contract	Total	Acquisition expenses	Attributable expenses For contracts (direct)	Attributable expenses For contracts (indirect)	Non- attributed expense to contracts	Total
Board of directors'	-	-	-	40,000	40,000	-	-	-	35,625	35,625
Depreciation and amortization	-	-	-	171,277	171,277	-	-	-	182,568	182,568
Investment properties depreciation	-	-	-	87,362	87,362	-	-	-	87,368	87,368
Expected credit loss provision-Accounts	-	-	334,637	(121,201)	213,436	-	-	177,487	(77,487)	100,000
Expected credit loss provision-Receivables from	-	-	(70,347)	-	(70,347)	-	-	46,465	-	46,465
Expected credit loss provision-Cheques under	-	-	90	(90)	-	-	-	406	(276)	130
Administrative expenses	-	-	-	-	-	-	-	-	-	-
Total	-	-	264,380	310,319	574,700	-	-	224,358	227,797	452,155

- The company calculates non-insurance related expenses and records them as unallocated expenses within other expenses, which are then posted to the profit and loss account.

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37- Earnings Per Share

	2023	2022
Net profit for the year	1,744,354	1,194,281
Weighted Average for Share	8,000,000	8,000,000
Earnings per share for the year	0.218	0.149
Basic	0.218	0.149

38- Risk Management

First: Descriptive disclosures

1. Exposure to risks and how they arise.
2. The Company's policies and procedures for accepting, measuring, monitoring and controlling risks, such as:
 - The structure and organization of the risk management function in the Company, including an explanation of the elements of independence and accountability for this function.
 - The scope and nature of risk measurement and reporting systems.
 - The Company's policies for hedging or mitigating risks, including policies and procedures for obtaining guarantees.
 - Risk control procedures and monitoring of the ongoing effectiveness of hedging and risk mitigation.
 - Policies and procedures followed to avoid concentration of risks.

Second: Quantitative disclosures

1. Insurance risks

The risks of any insurance contract are the possibility of the insured event occurring and the uncertainty of the amount of the claim related to that event. This is due to the nature of the insurance contract, where the risks are volatile and unpredictable for insurance contracts related to an insurance category. Probability theory can be applied to pricing and reserve. The main risks facing the Company The claims incurred and related payments may exceed the carrying value of the insurance liabilities. This may happen if the possibility and seriousness of claims are greater than expected, because insurance events are not constant and vary from year to year, estimates may differ from the statistics related to them.

Studies have shown that the more similar the insurance contracts are, the closer the expectations are to the actual loss rate. The presence of diversification in the insurance risks that are covered leads to a decrease in the probability of total insurance loss.

Monitoring the state of risks in the internal and external work environment is the main driver for choosing the appropriate strategy to deal with risks, While the company may have to accept the level of certain risks even though they are at critical/high levels due to the presence of external, regulatory and legal influences and constraints that must be adhered to or affected by, enhanced risk monitoring will enable the company to ensure that it adjusts and improves controls to manage those risks as soon as they become available.

Product risk management strategies are mainly based on two main elements: uncertainty and risk/exposure and according to the following:

- 1- Accept risk in case of reduced uncertainty/low exposure in product marketing.
- 2- For low/high exposure uncertainty risks, the Company has introduced relevant controls to establish appropriate risk reduction procedures.
- 3- For low exposure/high uncertainty risk, the Company has transferred these risks to a third party through contractual arrangements taking care to manage the risks of third parties who will be involved in bearing the risks.
- 4- Adopt appropriate contingency plans in order to manage high exposure risk/high uncertainty risk, and high exposure/high uncertainty risks have been avoided, whenever possible.

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38- Risk Management (continued)

1. Insurance risks

The above risks were managed by the Risk Department so that periodic reports related to all the company's risks were sent to the Risk Management Committee emanating from the Board of Directors and discussed and recommendations were sent to the executive management for the purposes of application in the company.

-When addressing quantitative data related to insurance risks, the Company disclosed the methods used, the strengths and determinants of these methods, the assumptions, the impact of reinsurance, the participation of the contract holder and other mitigating factors.

2. Development of allegations

The tables below present information on gross and net claims development 10 years prior to the reporting period. The incurred claims shown in the table correspond to the total carrying value of the groups of insurance contracts:

Engineering	2023	2022	2021	2020	Before	Total
<u>Estimates of total undiscounted maximum claims*</u>						
As in the year of accident	9,985	17,491	6,478	70,187	1,362,723	1,466,864
After 1 year	-	14,971	7,952	68,018	1,488,666	1,579,607
After 2 years	-	-	7,952	67,418	1,412,940	1,488,310
After 3 years	-	-	-	67,418	1,450,016	1,517,434
After 4 years	-	-	-	-	1,424,320	1,424,320
After 5 years	-	-	-	-	1,428,511	1,428,511
After 6 years	-	-	-	-	1,477,396	1,477,396
After 7 years	-	-	-	-	1,492,457	1,492,457
After 8 years	-	-	-	-	1,492,556	1,492,556
After 9 years	-	-	-	-	1,504,970	1,504,970
Total liabilities for the previous accidents	8,555	9,647	812	57,722	1,340,896	1,417,632
Discount effect	-	264	354	480	8,200	9,298
Total liabilities versus claims incurred	1,430	5,061	6,786	9,215	155,874	178,366

* Estimates represent reported and unreported claims

Maximum claims = unsettled claims + paid claims + claims that occurred but were not reported

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38- Risk Management (continued)
2. Development of allegations (continued)

Fire	2023	2022	2021	2020	Before	Total
<u>Estimates of total undiscounted maximum claims*</u>						
As in the year of accident	466,951	224,612	135,311	1,447,028	1,496,335	3,770,237
After 1 year	-	228,836	137,311	1,808,138	1,496,335	3,670,620
After 2 years	-	-	139,692	1,951,280	1,789,450	3,880,422
After 3 years	-	-	-	977,762	2,101,288	3,079,050
After 4 years	-	-	-	-	2,571,018	2,571,018
After 5 years	-	-	-	-	2,803,155	2,803,155
After 6 years	-	-	-	-	3,143,367	3,143,367
After 7 years	-	-	-	-	3,376,817	3,376,817
After 8 years	-	-	-	-	4,214,696	4,214,696
After 9 years	-	-	-	-	15,233,941	15,233,941
Total liabilities for the previous accidents	442,436	220,489	117,707	965,716	14,102,858	15,849,206
Discount effect	-	553	1,458	799	76,618	79,428
Total liabilities versus claims incurred	24,514	7,793	20,527	11,247	1,054,465	1,118,546
Other	2023	2022	2021	2020	Before	Total
<u>Estimates of total undiscounted maximum claims*</u>						
As in the year of accident	9,601	18,876	2,310	8,301	721,552	760,640
After 1 year	-	19,008	5,954	8,301	721,552	754,815
After 2 years	-	-	5,954	8,301	721,552	735,807
After 3 years	-	-	-	7,158	721,552	728,710
After 4 years	-	-	-	-	721,552	721,552
After 5 years	-	-	-	-	721,552	721,552
After 6 years	-	-	-	-	764,663	764,663
After 7 years	-	-	-	-	753,378	753,378
After 8 years	-	-	-	-	755,928	755,928
After 9 years	-	-	-	-	750,256	750,256
Total liabilities for the previous accidents	9,601	7,633	3,954	666	735,649	757,503
Discount effect	-	422	74	241	541	1,278
Total liabilities versus claims incurred	-	10,953	1,926	6,251	14,065	33,195

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38- Risk Management (continued)

2. Development of allegations (continued)

Public liabilities	2023	2022	2021	2020	Before	Total
<u>Estimates of total undiscounted maximum claims*</u>						
As in the year of accident	13,268	4,774	4,849	3,596	137,020	163,507
After 1 year	-	2,774	4,849	12,358	139,024	159,005
After 2 years	-	-	4,849	12,358	138,015	155,222
After 3 years	-	-	-	12,358	137,020	149,378
After 4 years	-	-	-	-	137,020	137,020
After 5 years	-	-	-	-	137,020	137,020
After 6 years	-	-	-	-	137,020	137,020
After 7 years	-	-	-	-	135,702	135,702
After 8 years	-	-	-	-	102,282	102,282
After 9 years	-	-	-	-	110,098	110,098
Total liabilities for the previous accidents	2,935	2,274	3,349	12,058	89,635	110,251
Discount effect	-	92	275	55	1,588	2,010
Total liabilities versus claims incurred	10,333	408	1,225	245	18,875	31,086
Marine	2023	2022	2021	2020	Before	Total
<u>Estimates of total undiscounted maximum claims*</u>						
As in the year of accident	116,221	32,947	39,712	66,947	907,163	1,162,990
After 1 year	-	48,605	37,965	64,210	890,274	1,041,054
After 2 years	-	-	37,965	64,210	849,791	951,966
After 3 years	-	-	-	64,210	850,448	914,658
After 4 years	-	-	-	-	825,140	825,140
After 5 years	-	-	-	-	813,207	813,207
After 6 years	-	-	-	-	796,606	796,606
After 7 years	-	-	-	-	795,059	795,059
After 8 years	-	-	-	-	760,633	760,633
After 9 years	-	-	-	-	768,579	768,579
Total liabilities for the previous accidents	43,403	29,364	36,934	48,122	710,823	868,646
Discount effect	-	1,698	91	1,420	5,097	8,306
Total liabilities versus claims incurred	72,818	17,543	940	14,669	52,659	158,629

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38- Risk Management (continued)

2. Development of allegations (continued)

Vehicle- Third party	2023	2022	2021	2020	Before	Total
<u>Estimates of total undiscounted maximum claims*</u>						
As in the year of accident	8,258,450	6,385,228	4,863,698	4,106,759	20,395,948	44,010,083
After 1 year	-	6,793,390	4,966,843	4,310,226	20,516,294	36,586,753
After 2 years	-	-	5,063,150	4,337,065	20,646,465	30,046,680
After 3 years	-	-	-	4,556,667	20,815,103	25,371,770
After 4 years	-	-	-	-	20,955,697	20,955,697
After 5 years	-	-	-	-	20,800,067	20,800,067
After 6 years	-	-	-	-	20,729,636	20,729,636
After 7 years	-	-	-	-	20,621,716	20,621,716
After 8 years	-	-	-	-	20,542,855	20,542,855
After 9 years	-	-	-	-	20,745,556	20,745,556
Total liabilities for the previous accidents	4,047,917	5,167,563	4,196,893	3,847,085	19,340,893	36,600,351
Discount effect	-	213,545	113,779	93,200	184,496	605,020
Total liabilities versus claims incurred	4,210,534	1,412,283	752,478	616,382	1,220,167	8,211,844
Vehicle- Comprehensive	2023	2022	2021	2020	Before	Total
<u>Estimates of total undiscounted maximum claims*</u>						
As in the year of accident	3,113,362	3,018,498	2,605,518	2,099,821	13,978,764	24,815,963
After 1 year	-	2,879,408	2,550,106	1,997,484	13,928,011	21,355,009
After 2 years	-	-	2,479,258	2,034,089	13,782,267	18,295,614
After 3 years	-	-	-	1,638,715	13,641,528	15,280,243
After 4 years	-	-	-	-	13,593,982	13,593,982
After 5 years	-	-	-	-	13,486,924	13,486,924
After 6 years	-	-	-	-	13,448,016	13,448,016
After 7 years	-	-	-	-	13,384,287	13,384,287
After 8 years	-	-	-	-	13,369,143	13,369,143
After 9 years	-	-	-	-	13,266,187	13,266,187
Total liabilities for the previous accidents	1,673,432	2,429,419	2,233,769	1,489,209	12,236,610	20,062,439
Discount effect	-	26,989	14,724	8,967	61,751	112,431
Total liabilities versus claims incurred	1,439,930	423,001	230,766	140,539	967,826	3,202,062

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38- Risk Management (continued)

2. Development of allegations (continued)

Medical	2023	2022	2021	2020	Before	Total
<u>Estimates of total undiscounted maximum claims*</u>						
As in the year of accident	8,597,061	9,147,686	7,762,883	8,643,440	48,057,524	82,208,594
After 1 year	-	-	-	-	-	-
After 2 years	-	-	-	-	-	-
After 3 years	-	-	-	-	-	-
After 4 years	-	-	-	-	-	-
After 5 years	-	-	-	-	-	-
After 6 years	-	-	-	-	-	-
After 7 years	-	-	-	-	-	-
After 8 years	-	-	-	-	-	-
After 9 years	-	-	-	-	-	-
Total liabilities for the previous accidents	8,360,283	9,147,686	7,762,883	8,643,440	48,057,524	81,971,815
Discount effect	-	-	-	-	-	-
Total liabilities versus claims incurred	236,778	-	-	-	-	236,778
Life	2023	2022	2021	2020	Before	Total
<u>Estimates of total undiscounted maximum claims*</u>						
As in the year of accident	125,946	178,646	46,631	134,864	844,796	1,330,883
After 1 year	-	178,646	46,631	134,864	844,796	1,204,937
After 2 years	-	-	46,631	134,864	844,796	1,026,291
After 3 years	-	-	-	134,864	844,796	979,660
After 4 years	-	-	-	-	844,796	844,796
After 5 years	-	-	-	-	844,796	844,796
After 6 years	-	-	-	-	844,796	844,796
After 7 years	-	-	-	-	844,796	844,796
After 8 years	-	-	-	-	844,796	844,796
After 9 years	-	-	-	-	844,796	844,796
Total liabilities for the previous accidents	18,425	159,779	46,631	117,663	747,235	1,089,733
Discount effect	-	2,014	-	1,836	10,412	14,262
Total liabilities versus claims incurred	107,521	16,853	-	15,365	87,149	226,888

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38- Risk Management (continued)

3. Concentration of insurance risks

The Company must disclose the concentration of insurance risks, including a description of how management determined this concentration and an explanation of the common characteristics of each concentration, such as the type of insured, geographic region, or currency.

Particulars	2023	2023	2022	2022
	Grand Total	Net	Grand Total	Net
Vehicle-Comprehensive	3,062,818	2,997,306	3,165,777	2,934,619
Vehicles- Third party liability	8,841,777	8,687,516	7,471,663	7,471,238
Vehicles- Pool	1,231,350	603,791	1,234,268	666,556
Engineering	234,830	66,306	191,774	46,523
Fire	1,314,731	221,169	2,217,558	180,824
Public liabilities	41,381	25,203	51,242	32,874
Other	38,237	10,109	71,941	28,708
Marine	182,779	49,496	99,970	26,525
Medical	1,063,940	963,215	1,265,014	1,120,633
Life	270,734	79,943	215,517	69,722
	16,282,577	13,704,054	15,984,724	12,578,222

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38- Risk Management (continued)

3. Concentration of insurance risks

- Assets and liabilities are concentrated according to geographical and sectoral distribution as follows:

A- According to Geographical region

	2023				2022			
	Assets	Liabilities	Reinsurance assets	Reinsurance liabilities	Assets	Liabilities	Reinsurance assets	Reinsurance liabilities
Inside Kingdom	35,522,870	21,976,860	-	-	32,912,412	20,676,541	-	-
Middle East	210,529	-	3,204,939	-	201,401	-	1,525,209	38,231
Europe	-	-	148,809	-	-	-	2,350,072	99,266
Asia	422,000	-	-	-	422,000	-	-	9,553
Africa	-	-	21,819	-	-	-	29,182	4
America	-	-	-	-	-	-	5,767	17
Other countries	-	-	-	-	-	-	-	1,396
Total	36,155,399	21,976,860	3,375,567	-	33,535,812	20,676,541	3,910,230	148,467

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38- Risk Management (continued)

B- By Sector

Particulars	2023			2022		
	Assets	Liabilities	Items outside financial position statement	Assets	Liabilities	Items outside financial position statement
Public sector	-	-	-	-	-	-
Private sector	-	-	-	-	-	-
Companies and Establishments	39,213,441	20,943,418	-	37,206,133	19,853,817	-
Individuals	317,525	1,033,443	-	239,910	971,191	-
Total	39,530,966	21,976,861	-	37,446,043	20,825,008	-

4. Reinsurance risks

As part of its normal business, the Company enters into reinsurance agreements with other parties. In order to reduce its exposure to significant losses as a result of the insolvency of reinsurance companies, the Company evaluates the financial position of the reinsurance companies with which it deals and monitors concentrations of credit risks resulting from geographic regions and activities or economic components similar to those companies. The reinsurance contracts issued do not relieve the Company of its obligations towards insurance policyholders, and as a result the Company remains committed to the balance of reinsured claims in the event that the reinsurers are unable to fulfill their obligations in accordance with the reinsurance contracts.

5. Insurance risk sensitivity

The insurance Company must disclose the sensitivity of insurance risks and conduct a sensitivity analysis showing how profit or loss and equity will be affected in the event of a change in the relevant risk variable that was reasonably possible at the date of the financial statements.

The Company must disclose the methods and assumptions used in preparing the sensitivity analysis and any changes in the methods and assumptions from the previous period. In addition to disclosing quantitative information about sensitivity and information about these terms and conditions of insurance contracts that have a material impact on the amount, timing, and uncertainty regarding future flows to insurance companies. Below is a table showing the effect of a reasonable possible change in subscription premium prices on the statement of profits, losses and equity, with all other influential variables remaining constant.

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38- Risk Management (continued)

5. Insurance risk sensitivity (continued)

2023	Change ratio	Contractual service margin	Contractual service margin	Profit or loss	Profit or loss	Impact on owners' equity	Impact on owners' equity
		Total	Net	Total	Net	Total	Net
Death rate	%5+	-	-	22,663	8,045	22,663	8,045
Death rate	%5-	-	-	(22,663)	(8,045)	(22,663)	(8,045)
Morbidity	%5+	-	-	-	-	-	-
Morbidity	%5-	-	-	-	-	-	-
Long life	%5+	-	-	-	-	-	-
Long life	%5-	-	-	-	-	-	-
Expenses	%5+	-	-	1,200	1,200	1,200	1,200
Expenses	%5-	-	-	(1,200)	(1,200)	(1,200)	(1,200)
Expiry rate	%5+	-	-	-	-	-	-
Expiry rate	%5-	-	-	-	-	-	-
Gross loss rate	%5+	-	-	41%	30%	6,297	1,348
Gross loss rate	%5-	-	-	31%	20%	(6,297)	(1,348)

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38- Risk Management (continued)

5. Insurance risk sensitivity (continued)

2022	Change ratio	Contractual service margin	Contractual service margin	Profit or loss Total	Profit or loss Net	Impact on owners' equity Total	Impact on owners' equity Net
		Total	Net				
Death rate	%5+	-	-	15,936	6,084	15,936	6,084
Death rate	%5-	-	-	(15,936)	(6,084)	(15,936)	(6,084)
Morbidity	%5+	-	-	-	-	-	-
Morbidity	%5-	-	-	-	-	-	-
Long life	%5+	-	-	-	-	-	-
Long life	%5-	-	-	-	-	-	-
Expenses	%5+	-	-	787	787	787	787
Expenses	%5-	-	-	(787)	(787)	(787)	(787)
Expiry rate	%5+	-	-	-	-	-	-
Expiry rate	%5-	-	-	-	-	-	-
Gross loss rate	%5+	-	-	58%	43%	8,932	1,889
Gross loss rate	%5-	-	-	48%	33%	(8,932)	(1,889)

38- Risk Management (continued)

B- Financial risks

The risks to which the Company is exposed revolve around the possibility that the collection of premiums and the return on investments will be insufficient to finance the obligations arising from insurance contracts and investments.

The Company follows financial policies to manage various risks within a specific strategy. The Company's management is responsible for monitoring and controlling risks and making the optimal strategic distribution of both financial assets and financial liabilities. The risks include interest rates, credit risks, foreign exchange rate risks and market risks. The Company follows a financial hedging policy for both financial assets and financial liabilities whenever necessary, which is hedging related to expected future risks.

1- Market risk

It is the risk of fluctuation in the fair value or cash flows of financial instruments as a result of changes in market prices such as interest rates, currency rates, and stock prices. Market risks arise as a result of the presence of open positions in interest rates, currencies, and investments in stocks. These risks are monitored in accordance with specific policies and procedures and through specialized committees. And the relevant business centers. Market risks include interest rate risks, exchange rate risks, and the risks of changes in stock prices.

(The method used to measure market risks will be disclosed. If the Company uses the sensitivity analysis method according to the value at risk (VAR) approach, the methodology used to prepare the sensitivity analysis with this method will be clarified, along with an explanation of the assumptions and variables related to it. In addition to the intended goal of using this method and any shortcomings in this method in that it does not reflect the fair value of assets and liabilities exposed to risks.

If the Company does not use the value at risk (VAR) method to measure market risks, the sensitivity analysis must be disclosed for each type of market risk (interest rate risk, foreign currency risk, price change risk) separately, with a statement of the impact on profits, losses and equity as a result of reasonable changes in the variables affecting the size of the relevant risks.

The assumptions and variables used in preparing the sensitivity analysis are also disclosed, and any changes in the above descriptive disclosures for the previous period and the reasons for that are disclosed. Which may be the result of a change in the assumptions related to the above risks. If it turns out that the sensitivity analyzes that have been disclosed do not represent the risks related to the financial instruments in the financial statements at the end of the year/fiscal period in a reliable manner, then this fact and its reasons will be disclosed, which may relate to the fact that the numbers at the end of the year/fiscal period do not represent the risks during year.

A- Interest rate risk:

Interest rate risk relates to interest rates on fixed deposits with banks and overdrafts. As of December 31, 2023 the interest rate on overdrafts is from **5.75%** to 6.9% annually.

The above-mentioned matters are general, and the Company's policy for managing these risks must be disclosed, provided that the disclosure includes, as a minimum, the following:

- Risk mitigation.
- Balancing the maturity dates of assets with liabilities.
- Return gaps.

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38- Risk Management (continued)

B- Foreign currency risks:

Foreign currency risk is the risk that the value of financial instruments will change as a result of changes in foreign currency rates. The Jordanian dinar is the Company's base currency. The Board of Directors sets limits for the Company's financial position for each currency. The foreign currency position is monitored on a daily basis and strategies are followed to ensure that the foreign currency position is maintained within approved limits.

The above-mentioned matters are general, and the Company's policy in managing foreign currency risks must be clarified, provided that the explanation includes, as a minimum, the following:

- Position limits for each currency.
- Monitor foreign exchange positions on a daily basis.

The Company's net concentration of major foreign currencies is as follows:

Currency Type	In Foreign currency		Equivalent to Jordanian Dinars	
	2023	2022	2023	2022
US Dollar	5,378,811	5,418,918	3,818,956	3,847,432

2- Credit Risk

These are the risks that may result from the failure of one party to the financial department to fulfill an obligation and cause the other party to bear a financial loss.

3- Liquidity Risk

Liquidity risk is represented by the Company's inability to provide the necessary funding to perform its obligations on their due dates. To protect against these risks, management diversifies funding sources, manages assets and liabilities, aligns their terms, and maintains a sufficient balance of cash, cash equivalents, and tradable securities.

	Less than one month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	More than one year	Total
2023						
Insurance liabilities						
Insurance Contract						
Liabilities	864,336	1,728,671	2,593,007	5,926,873	9,466,533	20,579,420
Reinsurance						
contract liabilities	-	-	-	-	-	-
Difference						
provision	31,466	-	-	-	150,269	181,736
Provision for						
Income Tax	684,387	-	-	-	-	684,387
Deferred Tax						
Liabilities	-	-	-	-	26,864	26,864
Other Liabilities	504,453	-	-	-	-	504,453
Total insurance						
liabilities	2,084,642	1,728,671	2,593,007	5,926,873	9,643,666	21,976,860
Total insurance						
assets	5,733,570	2,222,815	8,289,100	3,492,560	19,792,920	39,530,965

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38- Risk Management (continued)

	Less than one month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	More than one year	Total
022						
Insurance liabilities						
Insurance Contract liabilities	751,518	1,503,035	2,256,515	4,514,992	10,595,809	19,621,868
Reinsurance contract liabilities	5,686	11,373	17,074	34,162	80,172	148,467
Difference provision	26,085	-	-	-	221,406	247,491
Provision for Income tax	348,912	-	-	-	-	348,912
Deferred Tax liabilities	-	-	-	-	26,864	26,864
Other Liabilities	431,406	-	-	-	-	431,406
Total insurance liabilities	1,563,607	1,514,408	2,273,589	4,549,154	10,924,251	20,825,008
Total insurance assets	6,896,422	3,226,499	3,089,100	4,426,397	19,807,625	37,446,043

The above-mentioned matters are general, and the Company's policies for managing these risks must be disclosed, provided that this includes, as a minimum, the following) and at the level of each portfolio:

- Diversifying funding sources
- Analyzing and monitoring the maturities of assets and liabilities.
- Geographical and sectoral distribution.
- The table below summarizes the maturities of financial obligations (based on the period remaining to maturity from the date of the financial statements):

4- Operational Risk

These are the risks resulting from systems failure or could result from any intentional or unintentional human error.

These risks can affect the Company's reputation, as they can lead to financial loss. Such dangers can be avoided by separating duties and establishing the necessary procedures to obtain any information from the systems used in the Company, and through educating and training Company staff.

5- Legal Risk

This type of danger results from legal claims against the Company. To avoid these dangers, the Company has established an independent legal department to follow up on the Company's work in accordance with the law regulating insurance business and the instructions of the Insurance Authority.

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39 - Analysis Of Main Sectors

Information about the Company's business sectors:

For administrative purposes, the Company has been organized to include two business sectors, the general insurance sector, and the life insurance sector, which includes these two segments form the basis that the Company uses to show information regarding its major segments. The above two segments also include investments and cash management for the Company's own account. Transactions between business segments are carried out on the basis of estimated market prices and on the same terms as those dealt with third parties.

Geographic distribution information:

This clarification represents the geographical distribution of the Company's business. The Company carries out its activities mainly in the Kingdom, which represents local business. The Company also carries out international activities through its branches in the Middle East, Europe, Asia, America and the Near East, through which it deals with others.

The following is the distribution of the Company's revenues, assets, and capital expenditures by geographical sector:

Particulars	Inside Kingdom		Outside Kingdom		Total	
	2023	2022	2023	2022	2023	2022
Total revenues	13,542,241	12,363,853	2,056,319	1,793,328	15,598,560	14,157,181
Total assets	35,522,870	32,912,412	4,008,095	4,533,632	39,530,965	37,446,043
Capital expenditures	334,244	370,092	-	-	334,244	370,092

40 – Share Capital Management

Capital management objectives, policies and processes are disclosed, including:

- A description of what is considered capital.
- Regulatory authorities' requirements regarding capital, and how to meet these requirements.
- How to achieve capital management objectives.
- Any amendment related to the above compared to last year.
- If the Company does not comply during the period with the requirements of regulatory authorities regarding capital, and the consequences thereof.
- Causes and sources of changes in the Company's regulatory capital during the year.
- The necessity of disclosing the Board of Directors' opinion on the adequacy of regulatory capital.
- The amount that the Company considers as capital and the solvency margin ratio, according to the following table:

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40 – Share Capital Management (continued)

The table below shows a summary of the Company's retained capital and the minimum required capital:

	2023	2022
Basic share capital items		
paid-up share capital	8,000,000	8,000,000
Statutory reserve	2,000,000	2,000,000
Share premium and share premium share capital	41,507	41,507
Profit for the year after deductions	1,548,681	1,194,281
Retained earnings	6,523,900	6,129,624
Proposed dividends	-	800,000
Additional share capital items	18,114,088	16,565,413
Increase in the value of real estate investments	2,776,710	2,693,662
Cumulative change in fair value	(10,744)	(113,784)
Total of additional share capital	2,765,966	2,579,878
Total of regulatory share capital (A)	20,880,054	19,145,290
Total of required share capital (B)	10,180,420	9,935,946
Solvency margin ratio (A)/ (B)	%205	%193

41 - Maturity Analysis of Current and Non-Current Assets and Liabilities

Particulars	Up to one year	More than one year	Total
2023			
Assets:			
Deposits with banks	13,089,100	-	13,089,100
Financial assets at fair value through profit and loss	-	165,910	165,910
Financial assets at fair value through other comprehensive income	-	5,831,651	5,831,651
Financial assets at amortized cost	496,413	3,523,588	4,020,001
Real estate investments	-	4,750,598	4,750,598
cash on hand and at banks	933,570	-	933,570
Insurance assets	1,586,293	-	1,586,293
Reinsurance contract assets held	2,996,147	379,420	3,375,566
Deferred tax assets	-	658,383	658,383
property and equipment, net	-	4,464,592	4,464,592
Intangible assets, net	-	15,352	15,352
Other assets	636,522	3,426	639,948
Total	19,738,045	19,792,920	39,530,965
Liabilities:			
insurance contract liabilities held	11,112,887	9,466,533	20,579,420
Reinsurance contract liabilities held	-	-	-
Deferred tax liabilities	-	26,864	26,864
Income tax provision	684,387	-	684,387
Different provisions	31,466	150,269	181,736
Other liabilities	504,453	-	504,453
Total	12,333,194	9,643,667	21,976,860
The Net	7,404,851	10,149,254	17,554,105

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41 - Maturity Analysis of Current And Non-Current Assets And Liabilities

Particulars	Up to one year	More than one year	Total
2022			
Assets:			
Deposits with banks	11,089,100	-	11,089,100
Financial assets at fair value through profit and loss	-	108,247	108,247
Financial assets at fair value through other comprehensive income	-	5,692,410	5,692,410
Financial assets at amortized cost	-	3,547,001	3,547,001
Real estate investments	-	4,837,957	4,837,957
cash on hand and at banks	896,422	-	896,422
Insurance assets	886,567		886,567
Reinsurance contract assets held	3,539,829	370,401	3,910,231
Deferred tax assets	-	662,385	662,385
property and equipment, net		4,576,517	4,576,517
Intangible assets, net	-	9,280	9,280
Other assets	1,226,499	3,426	1,229,925
Total	17,638,419	19,807,625	37,446,043
Liabilities:			
insurance contract liabilities held	9,026,059	10,595,809	19,621,868
Reinsurance contract liabilities held	68,295	80,172	148,467
Deferred tax liabilities	-	26,864	26,864
Income tax provision	348,912	-	348,912
Different provisions	26,085	221,406	247,491
Other liabilities	431,406	-	431,406
Total	9,900,757	10,924,251	20,825,008
The Net	7,737,662	8,883,374	16,621,036

42- Lawsuits

- A- There are cases filed against the company and their value according to the lawsuits and lawsuits in which non-conclusive judgments were issued amounted to 4,077,846 JOD for the year 2023 (5,788,977 JOD for the year 2022) and there is a provision for claims under settlement, and according to the expectations and opinion of the company's legal advisor, the provision for claims under settlement is sufficient.
- B- The value of the cases filed by the company against third parties amounted to 2,869,952 JOD as of 31 December 2023 (4,973,304 JOD: 2022) represented in receivables due to the company and bounced checks as a result of the company's practice of its normal activity.

43 - Obligations That May Arise

The Company has contingent liabilities against bank guarantees in the amount of 129,786 JOD as at 31 December 2023 (219,083 JOD: 2022).

44 - Subsequent Events

There are no events subsequent to the date of the financial statements or after the preparation of the financial statements.

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45- Distribution of the Financial Data According To Type Of Products

1- Financial position items

2023	Vehicles- Comprehensive	Vehicles- Third party liability	Vehicles- Pool	Medical	Life	Fire and General Insurance	Engineering	Public liabilities	Other	Marine	Total
Insurance contracts assets	-	-	-	1,586,293	-	-	-	-	-	-	1,586,293
Reinsurance contracts	79,279	263,664	583,957	314,353	178,685	1,384,461	154,229	49,717	54,899	312,324	3,375,566
Accounts receivables	2,818,051	270,457	40,581	8,319,396	288,716	745,172	106,668	94,087	60,479	570,550	13,314,157
Financial assets	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-
Total assets	2,897,330	534,121	624,538	10,220,042	467,401	2,129,633	260,897	143,803	115,378	882,874	18,276,016
Insurance contracts	2,054,481	14,262,807	1,606,045	-	303,619	1,783,035	253,356	57,942	120,675	137,460	20,579,420
Reinsurance contracts	-	-	-	-	-	-	-	-	-	-	-
Accounts payable	704,693	240,951	3,510	2,019,002	217,879	740,282	141,804	46,481	80,996	271,256	4,466,853
Different provisions	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	2,759,174	14,503,758	1,609,555	2,019,002	521,498	2,523,318	395,160	104,423	201,670	408,716	25,046,273

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45- Distribution Of the Financial Data According to Type Of Products (continued)

1- Financial position items (continued)

2022	Vehicles- Comprehensive	Vehicles- Third party liability	Vehicles- Pool	Medical	Life	Fire and General Insurance	Engineering	Public liabilities	Other	Marine	Total
Insurance contracts	-	-	-	824,037	-	-	-	-	-	62,531	
Reinsurance contracts											
assets	246,658	105,381	551,123	525,024	-	2,169,588	79,581	-	-	232,876	3,910,231
Accounts receivables	2,491,108	179,461	28,882	6,652,228	281,001	953,709	136,646	122,503	81,444	583,765	
Financial assets	-	-	-	-	-	-	-	-	-	-	
Investments	-	-	-	-	-	-	-	-	-	-	
Other assets	-	-	-	-	-	-	-	-	-	-	
Total assets	2,737,766	284,842	580,004	8,001,289	281,001	3,123,296	216,227	122,503	81,444	879,171	16,307,544
Insurance contracts											
liabilities	2,140,006	12,814,546	1,822,755	-	189,675	2,328,468	199,045	22,069	105,303	-	19,621,868
Reinsurance contracts	-	-	-	-	512	-	-	20,105	127,850	-	148,467
Accounts payable	874,713	160,591	6,078	1,899,466	348,965	732,486	174,717	101,709	279,435	281,429	4,859,588
Different provisions	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	3,014,719	12,975,137	1,828,833	1,899,466	539,151	3,060,954	373,762	143,883	512,588	281,429	24,629,923

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45- Distribution Of the Financial Data According to Type Of Products

2- Income statement items

2023	Vehicles- Comprehensive	Vehicles- Third party liability	Vehicles- Pool	Medical	Life	Fire and General Insurance	Engineering	Public liabilities	Other	Marine	Total
Insurance contracts revenues	4,085,976	8,760,742	2,652,435	8,806,139	366,049	2,564,477	174,839	290,126	320,355	394,576	28,415,713
Insurance contracts expenses	3,665,122	8,807,365	436,205	9,370,959	178,196	74,776	59,908	51,620	23,278	172,018	22,839,447
Insurance contracts works	420,854	(46,624)	2,216,230	(564,820)	187,853	2,489,701	114,931	238,506	297,077	222,558	5,576,267
Reinsurance contracts revenues	247,475	120,148	1,025,843	3,184,529	245,172	2,300,868	132,218	177,480	272,950	325,201	8,031,885
Reinsurance contracts expenses	(96,600)	200,872	77,259	3,105,373	118,320	(33,813)	66,979	27,529	27,913	245,853	3,739,685
Reinsurance contracts works results	344,076	(80,724)	948,584	79,156	126,852	2,334,681	65,239	149,951	245,037	79,348	4,292,200
Net insurance contracts results	76,778	34,100	1,267,646	(643,976)	61,001	155,020	49,692	88,556	52,040	143,210	1,284,067
Finance (expenses)/revenues- Insurance contracts	(35,953)	95,364	23,543	-	(1,919)	(122,095)	(8,295)	(2,150)	(2,996)	1,150	(53,351)
Finance (expenses)/revenues- Reinsurance contracts	(2,571)	(10,814)	(23,253)	-	798	113,263	7,532	(114)	2,329	(1,464)	85,706
Net insurance finance works results	(38,524)	84,550	290	-	(1,121)	(8,832)	(763)	(2,265)	(667)	(313)	32,354
Interest payable	-	-	-	-	-	-	-	-	-	-	-
Net profit/(loss) of financial	-	-	-	-	-	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-	-	-	-	-	-
Total revenues	-	-	-	-	-	-	-	-	-	-	-
Expected credit loss provision	(533,349)	(41,062)	(7,680)	(1,574,481)	(51,094)	(121,677)	(19,000)	(12,948)	(11,446)	(43,232)	(2,415,969)
Company's share from	-	-	-	-	-	-	-	-	-	-	-
Company's share from	-	-	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-	-	-
Total expenses	(533,349)	(41,062)	(7,680)	(1,574,481)	(51,094)	(121,677)	(19,000)	(12,948)	(11,446)	(43,232)	(2,415,969)

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45- Distribution Of the Financial Data According to Type Of Products (continued)

2- Income statement items (continued)

2022	Vehicles- Comprehensive	Vehicles- Third party liability	Vehicles- Pool	Medical	Life	Fire and General Insurance	Engineering	Public liabilities	Other	Marine	Total
Insurance contracts revenues	3,984,182	6,769,454	2,013,841	9,461,912	359,919	2,389,825	133,265	296,693	381,610	371,854	26,162,555
Insurance contracts expenses	3,721,118	5,849,809	1,151,166	9,882,441	207,572	655,499	40,624	2,267	76,613	70,875	21,657,984
Insurance contracts works	263,064	919,645	862,675	(420,528)	152,347	1,734,326	92,640	294,426	304,998	300,979	4,504,571
Reinsurance contracts revenues	148,320	248,964	906,077	4,184,536	239,387	2,130,250	100,357	178,589	292,547	304,130	8,733,158
Reinsurance contracts expenses	73,485	(30,261)	(108,994)	4,347,589	141,113	586,165	45,842	(12,116)	46,592	146,623	5,236,036
Reinsurance contracts works results	74,835	279,225	1,015,072	(163,053)	98,274	1,544,085	54,515	190,705	245,955	157,507	3,497,121
Net insurance contracts results	188,229	640,420	(152,397)	(257,475)	54,072	190,241	38,125	103,721	59,042	143,472	1,007,450
Finance (expenses)/revenues-	5,846	3,678	(22,798)	-	4,789	46,083	1,771	(4,157)	1,557	(6,260)	30,509
Finance (expenses)/revenues-	-	(24)	18,473	-	(3,605)	(42,470)	(1,331)	4,043	(1,161)	4,696	(21,378)
Net insurance finance works	5,846	3,654	(4,325)	-	1,184	3,613	440	(113)	396	(1,564)	9,131
Interest payable	-	-	-	-	-	-	-	-	-	-	-
Net profit/ (loss) of financial assets	-	-	-	-	-	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-	-	-	-	-	-
Total revenues	-	-	-	-	-	-	-	-	-	-	-
Expected credit loss provision	(339,998)	(15,905)	(2,326)	(1,605,35	(16,034)	(118,129)	(13,112)	(18,821)	(8,589)	(15,069)	(2,153,339
Company's share from operations	-	-	-	-	-	-	-	-	-	-	-
Company's share from operations	-	-	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-	-	-
Total expenses	(339,998)	(15,905)	(2,326)	(1,605,35	(16,034)	(118,129)	(13,112)	(18,821)	(8,589)	(15,069)	(2,153,339

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46- Written Premiums - Insurance Branch

2023	Vehicles- Comprehensive	Vehicles- Third party liability	Vehicles- Pool	Medical	Life	Fire and General Insurance	Engineering	Public liabilities	Other	Marine	Total
Written premiums	2,923,147	10,058,635	1,079,351	9,423,224	427,884	2,368,656	216,282	271,727	350,261	386,255	27,505,422
Direct premiums	77,011	7,873	1,452,543	-	-	211,111	19,232	270	2,895	2,087	1,773,022
Total premiums	3,000,158	10,066,508	2,531,894	9,423,224	427,884	2,579,768	235,514	271,997	353,155	388,342	29,278,444
Less:											
Local reinsurer share	-	177,836	1,025,843	392	-	125,002	8,054	-	-	1,238	1,338,365
Foreign reinsurer share	156,255	-	-	3,375,470	296,099	2,247,044	182,390	169,943	310,734	332,986	7,070,922
Net written premiums	2,843,903	9,888,672	1,506,051	6,047,362	131,785	207,722	45,070	102,054	42,422	54,117	20,869,157

2022	Vehicles- Comprehensive	Vehicles- Third party liability	Vehicles- Pool	Medical	Life	Fire and General Insurance	Engineering	Public liabilities	Other	Marine	Total
Written premiums	2,834,741	9,027,759	941,743	9,930,491	305,465	2,015,448	118,681	286,263	350,560	352,121	26,163,272
Direct premiums	41,730	32,858	1,278,348	-	-	269,411	23,106	225	4,435	3,279	1,653,391
Total premiums	2,876,471	9,060,617	2,220,091	9,930,491	305,465	2,284,858	141,786	286,488	354,995	355,400	27,816,663
Less:											
Local reinsurer share	-	170,409	894,935	1,511,028	-	123,501	8,928	-	-	-	2,708,802
Foreign reinsurer share	151,569	-	-	2,488,715	217,345	1,955,318	103,240	187,699	281,580	299,314	5,684,779
Net written premiums	2,724,902	8,890,208	1,325,156	5,930,748	88,120	206,039	29,618	98,788	73,415	56,087	19,423,082

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47. Amortization of Acquisition Cost For Insurance Contract Assets

2023	Vehicles- Comprehensive	Vehicles- Third party liability	Vehicles- Pool	Medical	Life	Fire and General Insurance	Engineering	Public liabilities	Other	Marine	Total
No. of expected years to amortize acquisition cost to insurance contracts	236,339	110,675	-	82,272	2,307	39,333	15,265	5,220	3,151	1,441	496,004
Total	236,339	110,675	-	82,272	2,307	39,333	15,265	5,220	3,151	1,441	496,004

2022	Vehicles- Comprehensive	Vehicles- Third party liability	Vehicles- Pool	Medical	Life	Fire and General Insurance	Engineering	Public liabilities	Other	Marine	Total
No. of expected years to amortize acquisition cost to insurance contracts	222,973	-	-	69,731	947	32,207	6,539	4,695	2,057	1,357	340,506
Total	222,973	-	-	69,731	947	32,207	6,539	4,695	2,057	1,357	340,506

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48- Receivables Analysis

	2023			2022		
	Receivables	Expected credit losses provision	Net	Receivables	Expected credit losses provision	Net
Vehicles- Comprehensive	2,818,051	(533,349)	2,284,702	2,293,786	(324,684)	1,969,102
Vehicles- Third party liability	211,125	(39,958)	171,167	10,896	(2,823)	8,073
Vehicles- Pool	40,581	(7,680)	32,901	389	(114)	275
Medical	8,319,036	(1,574,474)	6,744,562	6,547,403	(1,597,223)	4,950,180
Life	267,920	(50,707)	217,213	185,794	(8,646)	177,148
Fire and General Insurance	631,755	(119,567)	512,188	594,942	(90,287)	504,655
Engineering	99,708	(18,871)	80,837	75,396	(8,359)	67,037
Public liabilities	65,613	(12,418)	53,195	114,170	(18,174)	95,996
Other	60,479	(11,446)	49,032	73,164	(7,947)	65,218
Marine	191,130	(36,174)	154,957	213,364	(13,411)	199,953
Total	12,705,399	(2,404,644)	10,300,754	10,109,305	(2,071,668)	8,037,637

49- Comparative Figures

Some comparative figures for the year have been reclassified to match the classification figures for the previous year

50- Approval of financial statements

The financial statements were approved by the Board of Directors' decision held on 02 April, 2024.